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HOUSE OF COMMONS

Tuesday, October 15, 1968

The house met at 2.30 p.m.

PRIVILEGE

MR. MACINNIS (CAPE BRETON-EAST RICHMOND)—ATTENDANCE OF MINISTERS DURING QUESTION PERIOD

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege affecting all hon. member of the house with reference to their efforts to obtain information from the government benches. It deals also with the question of the schedule for the attendance of ministers as provided by the government and the question of who is an acting minister and when he is an acting minister; because we have had an acting minister of public works while the actual minister was in his office on the third floor, and we have had an acting minister when the President of the Treasury Board was in his office on the floor below. It also involves the question of whether members are entitled to direct questions to ministers in capacities other than of departments they represent.

Here I would refer to a previous ruling in this house by Mr. Speaker on April 1, 1966. I quote from the fourth paragraph, second column, at page 3756 of *Hansard* for that date:

> I still feel today just as strongly as I did a few days ago that it should not be the policy in the house that ministers be asked to answer questions, whether written questions or verbal questions, in any capacity other than in their official capacities.

It would follow, Mr. Speaker, that if members are denied the privilege of asking such questions, then no minister should be entitled to answer in any other capacity than in that of the department for which he is responsible.

On the question of acting ministers Mr. Speaker's ruling on April 1, 1966 went on to say:

> While considering this matter in recent days it was brought to my attention—and I must say I understood this—that in some instances certain ministers are given areas of responsibility. For example, I might say that the Minister without Portfolio (Mr. Turner) in the present government is given, by acknowledgement on the part of the government, that portion of government responsibility in the realm of transport, is asked questions in that regard, and is expected to answer questions about the Department of Transport although he is not the Minister of Transport.

It would follow, Mr. Speaker, that rather than what happened on Friday last, when eight ministers were trying to answer questions that were correctly the responsibility of 29 ministers, acting ministers should be predesignated by the government. That, sir, is the interpretation, and rightly or wrongly I do not see any other possible interpretation that could be taken from Mr. Speaker's ruling of April 1, 1966.

With respect to the scheduling of the attendance of ministers, we all realize that this is an experiment which the government is conducting. But surely, Mr. Speaker, members of the government should acknowledge the fact that the experiment is not working. Today members received a release dated October 11, 1968, giving a revised schedule of attendance. But, Mr. Speaker, errors can clearly be seen in it which will make it very difficult for members of the opposition to obtain the information they may be seeking.

• (2:40 p.m.)

I wish to call the attention of the government to the fact that on Mondays the President of the Treasury Board (Mr. Drury), the Minister of Finance and Receiver General (Mr. Benson), the Minister of Industry, Trade and Commerce (Mr. Pepin) and the minister of National Revenue (Mr. Coté) are all absent. I would think that normally in the absence of one of these ministers any one of the other three would be able to take his place in an acting capacity. Nevertheless all four are to be absent on Mondays. This means that questions in the realm of trade and commerce and finance would have to be taken by the government as notice for reply on another day. In this event it would not be possible to treat the questions as matters of urgency.

I referred to this matter of urgency previously. If any given member should have a question of urgent importance he could have to wait from Wednesday until Tuesday in order to have the question answered because the minister concerned would be absent on Thursday and Friday, This, as I say, again would remove it from the urgency bracket.

Attendance of Ministers in House

I might point out also in respect of the rescheduling that on Fridays the Secretary of State for External Affairs (Mr. Sharp) and the Minister of National Defence (Mr. Cadieux) are absent, and this at a time when we have set up a committee involving both these departments. In respect of departments which relate closely one to another I might say that also on Fridays the Solicitor General (Mr. McIlraith) and the Minister of Justice (Mr. Turner) are absent.

Mr. Speaker, I move this motion in order to bring about a more consistent approach by the government to its responsibility to the house, as has been the practice of past governments throughout the years.

I, therefore, move seconded by the hon. member for Parry Sound-Muskoka (Mr. Aiken):

That the matter of scheduling of ministers in the house and the general conditions affecting the daily question period be referred to the special committee on procedure.

Mr. Speaker: Before the Chair can even consider putting the motion before the house there are a number of conditions which must be fulfilled. One is that the Chair must be satisfied that in the matter brought up by the hon. member for Cape Breton-East Richmond (Mr. MacInnis) there is a prima facie question of privilege. Perhaps hon. members might like to enlighten the Chair on this particular point.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, the subject matter raised by the hon. member received a good deal of attention on Friday during consideration of the estimates of the Privy Council. I do not believe we need repeat the arguments today.

However, two situations have arisen which affect the whole question. First, we no longer appear to have acting ministers in the house to replace those who are absent. On several occasions when a question was asked of the Prime Minister he consulted his roster and requested that the question be asked when the minister was present. This would indicate that no acting minister had been designated on that occasion. Likewise it has always been the practice, or at least the understanding, that when a minister is absent from Ottawa there would be an acting minister to take over his duties. The question the hon. member has raised is whether the absence of a minister from the chamber when he is actually within the precincts of the building is sufficient to necessitate having an acting minister in the chamber during the question period.

[Mr. MacInnis (Cape Breton-East Richmond).]

There is also a question in respect of amending the duty roster which provides for a programmed absence by ministers who might logically be acting for others who are absent. For example, on Mondays the roster which has been distributed to us indicates that the ministers of finance, national revenue, industry and trade and commerce and the President of the Treasury Board will all be absent. Any one of those might logically be the acting minister prepared to accept questions in the general area of their responsibility. Likewise on Fridays the Minister of Justice and the Solicitor General will be absent. Again the person who might logically be the acting minister will also be absent.

This whole question of acting ministers and their presence in the house is one that deserves scrutiny by the committee on procedure, in that there is a new situation which affects the rights of all members to direct questions to the members of the ministry. While this is not really part of the program, we have a special committee on procedure with the task at the moment of reviewing various reforms in our procedures. I believe we must take a much different approach to this whole matter of the question period. These are matters which are of concern to that committee. I think the motion which has been made is logical and fair under the circumstances.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the only question which I believe you are asked to deal with now is whether there is a matter of privilege involved. I think the simplest answer is that this whole matter is not dealt with specifically in the standing rules; hon. members are not deprived of any privilege in view of the fact that we have not altered any standing order which affects their privileges or rights.

Let me repeat once more that we are merely trying an experiment to find a solution to a situation which exists in fact. Ministers are bound to be away during a parliamentary session on matters pertaining to the administration and in discharge of their duties throughout the country. The purpose of this innovation is to ensure that there will always be ministers, acting ministers or parliamentary secretaries in the house on specific days who are able to answer in respect of subject matters falling within the jurisdiction and administration of those departments.

If while dealing with the substance of the matter, sir, you want to cut me short I will accept your suggestion, but perhaps I might

be permitted to say on the substance of the matter, however, that members of the opposition have not all understood the intention of this change. The two hon. members opposite argued that we were in a difficult and untenable position because ministers might be in their offices upstairs and there would be no acting minister to answer for them. My reply is that it is not our intention, if a minister is in his office upstairs or attending a cabinet committee, which is more likely, to have an acting minister answer questions on the specific days when it is not intended that questions on departmental matters under the jurisdiction of that minister be answered during the question period. There would be no acting minister or parliamentary secretary speaking for that minister on specific days.

When a minister is away from Ottawa, or unable to attend for reasons of business or ill health on the days which have been attributed to that minister, members of the opposition know there will be an acting minister or a parliamentary secretary here to answer questions. Therefore the argument that it is improper to have an acting minister here if the minister is in his office does not really apply.

We do not intend to have an acting minister here on a day that is not a day set for a minister to answer questions in respect of his department or his responsibilities. Having regard to the suggestion that there might not be the right combination of ministers here on Mondays, for example, I can only say that we are prepared to discuss this with the opposition. If hon. members desire a different type of roster, so that on some days the Minister of Finance will be here whereas on other days the President of the Treasury Board will be here, we are prepared to be as accommodating as possible. The system is based upon a desire to ensure that the members of the opposition will have days on which they know they can obtain answers from the minister, if he is in Ottawa, and from an acting minister if the minister has been called away from Ottawa.

• (2:50 p.m.)

This is the basis of the proposed reform. I can only suggest again that we have not actually tried it for very long; therefore I would plead with members of the opposition not to oppose this system before they understand how it works. It is apparent from the two statements just made that they do not understand how we intend making it work.

Mr. Bell: No one does.

Mr. Trudeau: Well, certainly you do not. Perhaps the system is a bit complicated, but it should not be beyond the ingenuity of members of the opposition to realize that to have 29 ministers here every day of the week just in case a question might happen to come their way, when they could be in their department or speaking to a cabinet committee—

Mr. Forrestall: Or golfing.

Mr. Trudeau: —would be an inefficient use of parliamentary resources.

Some hon. Members: Hear, hear.

Mr. Trudeau: Just because it has been done in that way for hundreds of years does not mean that we have to continue doing it in that way for hundreds of years.

Some hon. Members: Hear, hear.

Mr. Trudeau: I think any type of profession, business or enterprise which every day of the week would require 29 members of a board of administration present when perhaps an average of only 10 or 12 were needed, would be an inefficient way of employing these people. It is also an inefficient way of employing the people the electors of Canada sent here to work for them. That is why we are proposing a more efficient use of these resources.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the question that arises is, have our privileges been interfered with? There can be no question of that. The Prime Minister unilaterally declared that the rules of parliament, as they now are, are not what he would like them to be, and therefore made a decision binding upon the house. This to me is an extraordinary position. I have not the reference before me, but I seem to recollect that the first prime minister of the United Kingdom, Sir Robert Walpole, took the stand that questions were out of order. That has not been parliamentary procedure in that country since the days of the Pitts, nor has it been in Canada from the earliest days of our parliamentary system.

What has happened? The Prime Minister says they have 29 ministers now, and that is so. There is a multiplicity of ministers. They are growing faster than rabbits. At the rate of increase we have seen in recent months I can

see the day when they will practically all be ministers over there.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I am glad the Prime Minister applauds, because that is what I had in mind as being a reason for the increase. So they will all be placed in two categories; those who have achieved, and those who hope to achieve, having started as parliamentary secretaries.

What has happened in the last week or ten days? Simply the government has decided that we shall not have our rights under the rules except as the Prime Minister may designate. It is natural that ministers will be absent. It is expected that from time to time they will be away on business and will not be able to be here. But, sir, when they are in Ottawa and this house is in session, during the period that is called the period of the orders of the day they should be here. Already the roster of ministers has had to be altered. What has happened in the last week or ten days has made a nightmare of the parliamentary rules in this country.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I am glad to hear the backbenchers jeer, but this is a fact. I have sat on both sides of the house, and I know there is nothing more trying than wondering day after day what the opposition is going to raise that day. I had that experience when the opposition was very small in number, but we did not try to throttle them. I can recall certain members whom I can call by name now, such as Mr. Pearson, Mr. Martin and Mr. Pickersgill, who made our lives far from enjoyable.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The applause from the back benches indicates that what was right when we were in government is wrong now that they are in government. I appreciate their assistance in clarifying the situation.

This system is wrong. I think in his heart of hearts, as he realizes the responsibility of the prime ministership and what it entails, the Prime Minister is beginning to realize that this system makes a caricature of the rules. It should certainly be referred to a committee. I would not have supported this in the beginning. I would have said that we as members have the right to demand that such matters be decided by the House of Commons, not by a coterie within the government. But the hon. member who made the motion and the seconder of the motion want to refer the matter to the committee on procedure. I say this has all the earmarks of translation into actuality of the immortal words of the Prime Minister last February following the defeat of the government when he said in effect, "We are your masters". Sir, we do not intend to be the government's servants.

[Mr. Diefenbaker.]

Some hon. Members: Hear, hear.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the Prime Minister has made one point quite clear to us. He has made it in two ways. First, when he submitted to us the revised roster of attendance he made it clear that on certain days there is to be in the house no minister for certain departments, as for example when the Minister of Transport and the Minister without Portfolio from Winnipeg are both absent on the same days. Second, he has made it clear in his statement today that the intention is that questions may be directed respecting certain departments only on certain days. I see the Prime Minister nodding his head that I am stating correctly what he is trying to do.

I will not repeat the things I have said before about what I think this does to the question period, but rather will simply refer in these few remarks to the kind of facts that you, Mr. Speaker, have to deal with in ruling on this question of privilege. The question which faces Your Honour is whether the government by itself, unilaterally, has the right to make this kind of change, to tell the house that for whatever period of time this system is in effect we may ask questions of certain ministers only on certain days.

• (3:00 p.m.)

The Prime Minister says no rule is being changed, and in a technical sense he could substantiate that point. The rule which I must cite, I must admit, is not as clear as we thought it was when we drafted it. I say "we" because it is a contemporary rule that has been introduced in our generation. I refer to standing order 39(5), which reads:

> Before the orders of the day are proceeded with, questions on matters of urgency may be addressed orally to ministers of the crown—

There are many more words in addition about what Mr. Speaker may do if he feels the questions are not urgent, and so on. However, the pith of this order, so far as this

discussion is concerned, relates to the right of members to address questions orally to ministers of the crown.

I suppose we will have to consult language specialists, lawyers, and all the other experts as to what that means. Certainly this rule does not refer to some ministers of the crown. It does not say a few ministers of the crown. It does not say those ministers of the crown that the Prime Minister permits to be here. It says that before the orders of the day are proceeded with, and this is under the routine proceedings for every day of the week, members may address questions orally to ministers of the crown.

As I have already said, Mr. Speaker, this is not an old rule. For 95 years or more in this parliament's history we did not have any rule that provided for questions before orders of the day. The practice or tradition of asking questions at this time had become so imbedded in our parliamentary way of life that we regularized it by this temporary rule which was introduced three or four years ago. When we drafted it we certainly had no thought that we were drafting a rule covering certain ministers only on certain days. During the few years the rule has been in effect we have had the right to ask questions every day of any minister of the crown.

I submit that for the government to decree that on certain days certain ministers are not going to be here is to deny to members of the house a right that is theirs by practice, a right that is theirs by direction of this standing order. I must admit that the standing order does not say "any and all" ministers of the crown. I suppose that is the sort of argument that will be used. However, the rule does not say, either, that we can ask questions only of those ministers who happen to be here, only of those ministers the Prime Minister permits to be here, or only of certain ministers on certain days. The standing order says that on every day we have a right to address questions to ministers of the crown. I submit that if the government is cutting down on that right, taking away from that right to any extent at all, it is interfering with the privileges of the house.

As Your Honour knows, this whole question of defining privileges is as difficult a one as you have to deal with in the chair. However, there are some interesting words in citation 108(1) of Beauchesne's fourth edition, which reads:

> Anything which may be considered a contempt of court by a tribunal, is a breach of privilege if perpetrated against parliament, such as wilful disobedience to, or open disrespect of, the valid rules, orders or process—

I submit that this action of the government in saying that some of its ministers will not be here on certain days of the week, whether or not we want them, is open disrespect of the valid rules, orders or process of this house. The citation continues:

> —or the dignity and authority of the house—

There is no doubt that the dignity of the house has suffered as a result of this action.

I continue reading:

> —whether by disorderly, contemptuous, or insolent language, or behaviour, or other disturbing conduct, or by a mere failure to obey this order.

I submit, Mr. Speaker, that the clear meaning of standing order 39(5) is that this whole house has decreed that members have a right to ask questions of ministers of the crown, and that means all the ministers. I submit that if this right is being curtailed or interfered with by fiat by the Prime Minister, then it is a matter of privilege; that something is being perpetrated against this house that we ought not to have to take.

It seems to me that in this discussion, comments about the merits of the proposal are irrelevant. Having said that, however, I do want to echo the sentiment that has been expressed a good many times, namely that it seems strange for this to be done unilaterally the day after the house agreed to setting up the procedure committee. I think a good deal of the trouble we have had has come from the way this action has been taken.

What Your Honour is faced with right now is the problem, have the privileges of the house been interfered with? The rule under which we operate is a modern rule, not something 100 years old. It is a rule which was established only three or four years ago. Those clearly defined rights are being interfered with, and in that sense action has been taken which is against the privileges of this house.

Hon. G. J. McIlraith (Solicitor General): The sole question before the house at the moment, Mr. Speaker, is whether there is a prima facie case of privilege. I respectfully submit that the matter which has been discussed since the opening of the sitting today is not a matter of privilege but rather a matter of the opposition indicating it does not like a practice that has been started in the house. If their view is correct, then it is arguable by them as a matter of confidence

which would warrant them taking appropriate action by way of a want of confidence motion at the appropriate time. This is the system of government we have. Whether the non-attendance of certain ministers on certain days is desirable is for the members of parliament, and ultimately for the electorate to decide. It is not right to argue that it is a question of privilege affecting hon. members. It is a matter of the government using the time of its ministers in the most efficient way in the interests of the government and the country.

It is not so many years ago that we had a government, which members of the official opposition should remember or at least read about, which appointed ministers from the other place. Those ministers not only were not in this chamber to answer questions, but were not able to come into this chamber at all.

Hon. members opposite are arguing that the rules should provide what the internal distribution of ministers should be in relation to their duties. With great deference I say that is not our parliamentary system. The Prime Minister may well wish to have certain of his ministers in another part of the country today at some very important national function. If the argument of hon. members prevailed, that would be a breach of the privileges of the house; they could not go. They would have to be here to answer questions. Surely the Prime Minister and the government must have control of the attendance of ministers, and if those ministers do not appear in the chamber of the house when it is thought proper they should, that is a matter for the commons to indicate by way of a lack of confidence motion. It is something which, if it were pursued, would be a matter concerning lack of confidence, and the way to indicate this disapproval would be by a want of confidence motion.

• (3:10 p.m.)

I also want to address myself for a moment, Mr. Speaker, to the argument about rule 39. Rule 39 has no bearing on the question one way or the other. Rule 39 (5) which was quoted by the hon. gentleman was put in at his instigation in order to provide the point of time during our daily proceedings for the asking of oral questions. The rule goes on to provide that if in certain circumstances the answers received are not satisfactory, an hon. member may take action by way of what we now call in the vernacular the late show, the proceedings on the motion for adjournment.

That is the effect of rule 39. The significance of the words "at this stage" to be found throughout rule 39 is that it is the point in time at which oral questions may be asked. The rule does not deal with or attempt to designate the individual ministers who will be available in the house to answer questions. Hon. members are still free to put such questions as they wish at any time they wish provided it is at this period in the day.

There is one other question, Mr. Speaker. Surely the efficiency of parliament, its reputation and its acceptance in the country, are not to be improved by the commons seeking to turn itself into an administrative body to manage the internal affairs of the government. Surely the efficiency of parliament is something for which the government must answer. The requirements of our time demand that the government seek to use the time of its ministers to the best advantage of the country and of parliament itself. Using its time to the best advantage of parliament is not, I submit, to demand that the 29 ministers be here during the question hour each day of each week. At a rate of questioning of two questions per month it is neither necessary nor desirable in the interests of the country or in the interests of the government of the country to keep a minister in this chamber during every one of the 23 sitting days we have had so far.

The proposition, Mr. Speaker, with deference to the argument of the opposition, is not only ridiculous on its merits but clearly illustrates that the matter is not one of privilege but one of the internal administration of government, for which of course the government is always answerable to the house and ultimately to the voters.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in my opinion, the government could have avoided all our criticisms today and last week, and those in the newspapers, about the new proposal of the Prime Minister (Mr. Trudeau) dealing with the schedule of attendance of ministers in the house. Since that procedure was imposed on us, it has been obvious that the house, except for some government members, is not happy.

In the past, the poor attendance of hon. members in the opposition as well as on the side of the government in office was criticized on various occasions, and today the adoption of a schedule according to which ministers will automatically be absent from the house is deplored. Looking at the revised list given us

this morning, I notice that on Monday, 11 out of 29 ministers will be in the house, on Tuesday, there will be 13, on Thursday, 18, and on Friday, 14; an average of 14 ministers for these four days.

An hon. Member: And Wednesday?

Mr. Rondeau: On Wednesday, all ministers are supposed to be in the house. But last week, we noticed that many ministers whose names were on the list for Wednesday were absent; that is why I say that within a few weeks, when we will be used to this timetable, the average will not be 14 ministers out of 29 in the house, but there will be fewer than 10 of them, so that we will have an average of one minister out of 3 in the house every day. This means a very weak representation of those responsible for the various departments.

Mr. Speaker, in this connection, I should like to quote an article published in the newspaper *Dimanche-Matin,* of October 13:

> The case of the Minister of Transport, Mr. Paul Hellyer, is typical. This minister administers the largest department in the country. Furthermore, he is responsible for the housing policy. To that end, he conducts personally an inquiry across the country.
>
> Half of the questions asked in the house deal with transportation problems or housing problems. At the present time, the minister is unable to sit in the house the three days assigned to him. Several Liberals are quite unhappy with the Prime Minister's decision.

I think that the motion to refer that decision to the committee on procedure should be passed, because had that decision not been taken unilaterally by the right hon. Prime Minister, he might have avoided all the criticisms put forward up to now, or in the future. We would thus have saved the house considerable time to end up probably with the same results, while the committee on procedure will have to decide in the last resort upon a procedure with regard to the attendance of the ministers in the house.

Some hon. Members: Hear, hear.

[*English*]

Mr. Speaker: Order. It is not my desire to limit the contributions to this debate, but I have the impression that I have heard most of the arguments for and against the motion, be they valid, invalid, relevant or irrelevant. However, I am pleased to hear hon. members who feel they may have something new to add to the debate.

Attendance of Ministers in House

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I do not wish to prolong the discussion of this important question of privilege, but there is one matter that I think has not been brought to Your Honour's attention. It is this. This afternoon, if I heard the right hon. gentleman correctly, the Prime Minister clarified the position of the government inasmuch as he pointed out in his remarks that it was not the intention of the government to have questions directed to certain departments of government on certain sitting days of this house, something which perhaps was not clear before.

Let me point out, Mr. Speaker, that this creates a dilemma under our rules. It has always been my understanding in the years I have been in this house that questions on the orders of the day must have two basic qualifications: first, they must be urgent; second, they must be of national importance.

The schedule that has been distributed by the government house leader to all hon. members of the house indicates that on Mondays and Tuesdays of each week the Minister of Agriculture and his parliamentary secretary will not be present to answer questions. As a result, Mr. Speaker, an anomaly is created. For example, following the rule of urgency, recently a number of questions were asked in the house of the Minister of Agriculture in connection with imports of corn from the United States and their effect on the Canadian market. This, Mr. Speaker, is an urgent matter; the price of corn in this country fluctuates daily and affects the livelihood of many people in Canada.

Last Friday the Minister of Agriculture was asked what remedies were being proposed to meet this problem and the minister replied to the effect that discussions were taking place with the government of the United States of America and that he hoped some recommendations would be ready very soon.

• (3:20 p.m.)

Well, Your Honour, that was last Friday. It is now Tuesday and the Minister of Agriculture is not in the house, nor would he have been in the house yesterday, according to the rota, if we had been sitting. It is true he will be here tomorrow unless, of course, he is prevented by government duties elsewhere.

Mr. Knowles: He will be here later today to deal with his legislation.

Mr. Nesbitt: We have seen that other ministers who are supposed to be here do not

attend. My point is that here is a matter of urgent national importance involving imports of grain. It affects not only corn but other varieties of grain, yet no question can be put to the minister from Friday until the following Wednesday, at least. This situation could lead to a great deal of disturbance and uncertainty in markets affecting the livelihood of Canadian farmers.

Then again, by the time the minister returns, if he is not permitted to answer for a number of days, a great many developments may have taken place and the element of urgency may have gone. Indeed, it might be easier and faster to get an answer by placing a question on the order paper than by raising it in the house.

While I am on my feet there are one or two other items on which I should like to comment, since they were mentioned by the Solicitor General. The Solicitor General pointed out that a few years ago in the days of another government, not of his party, members of the other place took part in the administration and could not, therefore, answer questions in this house. I can only reply that I was a member of this house in 1954 when Hon. Mr. Marler was minister of transport and served in that capacity for a long time before the government of the day was able to find him a seat in this chamber.

The Solicitor General then told us it was not reasonable that 29 ministers should be required to be here every day when they might well be needed to attend to urgent government business elsewhere. No one would suggest that all ministers should be present every day. It was my understanding several years ago when the post of parliamentary secretary was created and, prior to that, when the position of parliamentary assistant was established, that hon. members so designated were appointed for the very purpose of answering questions in this house on behalf of their ministers when their ministers were engaged on business elsewhere. I pass this on for Your Honour's consideration.

Mr. Steven Otto (York East): I shall be very brief. If I say this change is unpopular with the opposition I may be right, but the question before Your Honour is not to decide whether it is popular, but whether it is an interference with privilege. If the opposition could point to a rule which says that all ministers shall be present in the house during the question period, then Your Honour might have some justification for saying that it constitutes an interference with privilege. But there is no such rule.

Nor is there a rule that any minister must answer questions addressed to him. A question may be directed to a minister, but he need not answer it.

Mr. Baldwin: Don't tell us that.

Mr. Otto: In these two brief comments I have made I believe lie the answers to the motion which is proposed.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the hon. member for York East (Mr. Otto), who has just resumed his seat, reminds us that nothing in our rules states that a minister must be in the house. In that case, could the hon. member also point out that no section in the standing orders makes it compulsory for a member to be in the house? A member might be in his office as well as a minister, but that is not the point.

The motion before us wants to refer this matter to the committee on procedure. Now, before this approach was introduced or imposed on us by the new Prime Minister (Mr. Trudeau) everyone had noticed that all the ministers were not necessarily in the house, but that when a minister was absent, his acting minister or his parliamentary secretary could answer questions.

Now, with the new rule, in the minister's absence, the whole department disappears. If the minister is not in the house but in his office in Ottawa, then his parliamentary secretary or the acting minister has the right to answer. Why do we not follow the same procedure as before? This would not require that all ministers be present at the same time. When a minister had to be away, outside the house, somebody else could answer us. But today, even though the Prime Minister has told us that the rules have not changed, I say that they have. What happens is that there is only one day in the week, on Wednesday, when we can ask questions of any minister. Even if a minister is not in the house, we are allowed to ask him questions, because he is supposed to be present, and in his absence, our questions will be answered by his parliamentary secretary or the acting minister.

But if the minister is absent on a day when he is allowed to be, the acting minister can sit in his place and stay as mute as a fish. Indeed, his parliamentary secretary can also stay as mute as a fish, while holding all the

information. That is what we want to change or not change. Very well, let the minister be absent; but let the acting minister or his parliamentary secretary answer the questions of the opposition.

Mr. Speaker, to my mind, the government, which feels that it holds the majority is not acting according to usage. A while ago, the Solicitor General (Mr. McIlraith) said: Let us have a vote of confidence. A majority government can exist for three years but we have no guarantee that the situation will be the same in three years. Furthermore, that pretext must not be used to reply arrogantly to the opposition, for we are the representatives of the people. As members of the opposition, we have the right to put questions to the ministers—whether they are in the house or not—but the questions of the opposition should be answered.

[*English*]

Mr. Speaker: I thank hon. members for their assistance in connection with the motion proposed by the hon. member for Cape Breton-East Richmond. I may say it would have been easier for me to have reached a decision nearly an hour ago, but having heard the sound arguments presented by hon. members both in favour of the motion and in opposition to it I am wondering whether it would not be wise for me to give the matter some additional thought and postpone a decision.

I may say that the provisions of citation 104 of Beauchesne, paragraph 5, occurred to me immediately. I read as follows:

> As a motion taken at the time for matters of privilege is thereby given precedence over the prearranged program of public business, the Speaker requires to be satisfied, both that there is a prima facie case that a breach of privilege has been committed, and also that the matter is being raised at the earliest opportunity.

The question of raising the matter at the first opportunity is defined further in subparagraph 3 of the same citation. The allusion there is to a matter which occurred during a recess; it was refused precedence because it was not raised on the first day of the session. If hon. members study the precedents they will find that Speakers have always enforced this aspect of a motion on a question of privilege rather stringently, and I am somewhat concerned about this procedural aspect in determining whether this motion should be allowed.

Another difficulty I find arises in connection with the motion itself. The motion moved by the hon. member is an essential part of the question of privilege, and I have the impression that perhaps the wording as submitted to the house, inasmuch as the hon. member and those who supported him have suggested that this matter be referred to the special committee on procedure, makes it a substantive motion and therefore subject to the limitations of standing order 41. This is another difficulty with which I am faced.

In any event, if hon. members will allow me I will take the matter under advisement, seek the guidance of the Holy Ghost, and render a decision.

• (3:30 p.m.)

ATOMIC ENERGY

CO-OPERATION BETWEEN FRENCH AND CANADIAN AGENCIES RESPECTING NUCLEAR POWER REACTORS

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, hon. members are aware of the close and cordial association that has existed for many years between the national atomic energy agencies of France and of Canada, the Commissariat à l'Energie Atomique, and Atomic Energy of Canada Limited. I am pleased to inform the house that this association has now moved a further step forward with the conclusion by the C.E.A. and A.E.C.L. of an agreement to extend the co-operation between them in research and development and in information exchanges relating to water cooled, heavy water moderated nuclear power reactors.

The agreement provides for the exchange of existing technical information in this field and that which will be obtained during the next five years from A.E.C.L. and C.E.A. programs. The parties will also assist each other in the development of nuclear power reactor systems of this type. The exchange does not include full design details of specific nuclear power stations such as the Douglas Point, Pickering and Gentilly nuclear power stations in Canada and the EL-4 power station in France.

The agreement includes the exchange of information of commercial value and, as a consequence, provides a payment by the C.E.A. to A.E.C.L. to balance the agreed difference in value of the initial exchange of technology.

Co-operation between A.E.C.L. and the C.E.A. dates from the second world war, when French, British and Canadian scientists worked together in Canada to launch what evolved into the Canadian atomic energy program. The first heavy water for the early

Canadian reactor experiments was brought to Canada by French scientists.

Although close scientific ties have been maintained between the two organizations since that time, the extent of technical co-operation was limited primarily because the French had concentrated on the development of the gas-cooled type of nuclear power system, a system that is not in the Canadian program. However, with a growing interest on the part of C.E.A. in the water cooled, heavy water moderated reactor systems, coupled with an extensive C.E.A. development program, particularly in materials research, it became clear that expanded technical co-operation between A.E.C.L. and C.E.A. would be of mutual benefit. Both parties are looking forward to an active program and closer ties involving exchanges of technical personnel as well as information and technical data.

The Canadian nuclear power system—we call it CANDU, short for Canada Deuterium Uranium—has a number of important features, foremost of which is its efficient use of uranium as fuel. For a natural uranium, heavy water reactor of the CANDU type, the fuel cost is far below—by as much as 50 per cent or more—that of reactors of comparable size burning enriched uranium.

Should the price of uranium increase, the fuel cost differential becomes even greater, for the CANDU reactor requires only about one-third as much uranium for its initial charge as does an enriched reactor and from one-half to two-thirds as much fuel in the course of its lifetime.

Another important feature of the natural uranium system is that it does not tie the user to a specific source of fuel, as is the case with enriched uranium reactors where the U.S.A. is the only practical source today for most of the world. Many countries have indigenous supplies of uranium on which they can draw; for others uranium is widely available, at competitive prices, on the world market.

So efficient is the CANDU system that the spent fuel can be simply and safely consigned to storage and treated as waste. However, it does contain a by-product—plutonium—which very definitely is an asset and, when conditions warrant, can be reprocessed and burned as fuel in CANDU reactors, or can be sold if it is more profitable to do so. The fact that the CANDU type of reactor produces a substantial amount of plutonium and can make efficient use of plutonium on a recycle basis is another attractive feature of the system. In addition, because of the characteristics of heavy water, thorium—another potential nuclear fuel—can be economically introduced as uranium resources diminish or become more expensive, thus ensuring adequate energy reserves far into the future.

[Mr. Greene.]

Competitive electric power costs from the CANDU system, coupled with the very low fuel costs of the natural uranium reactor, the independence of fuel supply through the life of the plant and the flexibility of the fuel cycle which allows efficient burning of not only the initial uranium but later the plutonium produced and eventually the abundant reserves of thorium, have made this system appear attractive to many areas of the world. A.E.C.L. has a vigorous international power reactor marketing program under way and prospects of sales in several areas of the world are very promising.

Canada has long been acknowledged as a world leader in the development of heavy water moderated reactors. Other countries, however—notably Britain, the Federal Republic of Germany, Sweden, Japan and Italy—have embarked on significant heavy water reactor programs. The British have developed for domestic and export use a reactor concept which uses boiling light water as the coolant and slightly enriched uranium as the fuel and has, I understand, a natural uranium fuel version now in the final design stage.

Japan is developing its own heavy water moderated reactor which may, in its final form, be similar to Gentilly, the CANDU/B.L.W. station under construction in the province of Quebec.

The Federal Republic of Germany has successfully offered a heavy water moderated, natural uranium fuelled reactor for sale in Argentina and is vigorously trying to market similar units in other countries.

In Italy a concept similar to the Gentilly station is under development, and co-operative programs between Canada and Italy in this specific field are being considered. A.E.C.L. will be bidding next year on a large nuclear station for installation in Italy, using a reactor similar to the Pickering units.

In the light of these developments abroad, I am sure the house will recognize the significance of French interest in the Canadian nuclear power system, and of the agreement to extend appreciably the co-operation between Canada and France in the field of nuclear power. I am therefore taking this first opportunity of making this announcement in the house, this announcement being made at the same moment in France.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, the minister's statement has indicated that an agreement has been made for the exchange of information on atomic energy between France and Canada. Beyond that his statement was a nice lecture on the basics of our nuclear reactor power program, and for the life of me I could not see the purpose of most of it.

Some hon. Members: Hear, hear.

Mr. Aiken: I felt that the minister was trying to build up a case for something, but the action never came. While the announcement itself may be very significant it was not expanded upon in any way by which we could understand what the agreement really is.

• (3:40 p.m.)

In view of our admitted superiority in water cooled, heavy water moderated reactors I am sure there will be a good deal of information passed from Canada to France. Presumably this is a business arrangement, but the statement leaves several things unanswered. First, what information will come from France to Canada in this exchange? France, apparently, has no technology in the field of heavy water moderated reactors. Second, are we in Canada considering a gas cooled type of reactor such as France has developed? The statement would seem to indicate that that is not the case. Third, what is the basis of payment for information we will provide to France? The statement has been made that there will be some adjustment. It seems most difficult to calculate what would be the basis of payment for such an exchange of information. We have sold 20 years of development research in the heavy water reactor field and it would seem to me to be very difficult to calculate a financial return. This is unexplained in the long statement the minister has made. A number of other things have been explained, but they did not go to the real meat of the issue.

Finally, I should like to know whether the government has some real prospect of selling natural uranium heavy water power units to France or is this merely a service to accompany our sales of uranium? To the extent that the exchange may improve our opportunity for sales of nuclear power units and the fuel for them we welcome the statement. If this exchange will assist in the development of peaceful uses for atomic energy it is also a useful step. However, no such objectives were set forth in the statement and we can merely wait for an explanation concerning what exchange of information will develop and what prices will be paid for it.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, what is strange about this ministerial statement is that although it is quite long it does not elaborate or define with any precision the nature of the agreement governing this exchange of information. It would seem that the greater part of the statement was given over to an explanation concerning the ways in which the Canadian nuclear power system is better in terms of cost and cost efficiency than the nuclear power systems of others countries. That would seem to be rather aside from the point in respect of the subject matter of which we are being asked to take note today.

I have two brief comments I should like to make in connection with the substance of this statement. The first is a comment of approval of what is being done. The other is a comment of disapproval. In a general way what the minister has announced today is a welcome development, not only in terms of its prospects with regard to the advancement of scientific knowledge in this field but also perhaps in terms of diplomatic relations between the two countries involved. This might enable both countries, without sacrificing any of the quality or quantity of their science research, to realize savings by avoiding in some way some duplication of effort.

I believe hon. members must bear in mind that over the past decade or more there has been some criticism voiced to the effect that Canada has been spending a disproportionate amount of time, effort and money on research in high energy physics. Any step we can take, without sacrificing the quality of this research, to minimize or reduce expenditures in this field should be welcomed.

The second element of the statement on which I wish to comment has to do with the reference to the fact that some monetary consideration is involved. There is a provision in the agreement for a payment by the atomic energy authority in France to our atomic energy commission. In this connection I should like to say that the fact that up until now there has been a non-availability of information relative to cost or financing as between Canada and other countries is a matter of regret. I noticed a few days ago that one of the metropolitan newspapers in this country commented editorially on the fact that members of this house were refused

information concerning the financial transaction involved in the sale of plutonium by Canada to France. In a like manner, when there is to be an agreement for the exchange of technical scientific information with an accompanying financial transaction, apparently we are not to receive any information concerning how much is involved.

I wish to take this opportunity to say that this is an undesirable development in respect of which the battle will have to be joined some time soon. The government can have no excuse, unless security or the defence of the state is involved, for withholding mundane information like the amount of money that is to change hands.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the minister's statement is causing confusion rather than making matters clear.

First, he says, towards the end of his statement:

In the light of these developments abroad, I am sure the house will recognize the significance of French interest in the Canadian nuclear power system, and of the agreement to extend appreciably the co-operation between Canada and France in the field of nuclear power.

As the spokesman for the official opposition party pointed out a while ago, what do we get from France in return for the information we are giving her on atomic energy?

At the outset of his statement the minister states and I quote:

The first heavy water for the early Canadian reactor experiments was brought to Canada by French scientists.

The fact remains that France never used such a method and the statement says that the French had primarily concentrated on the development of the gas-cooled type system, which costs twice as much as the Canadian cooling system. In fact, it says here:

—a system that is not in the Canadian program.

—as regards the French system.

Then instead of reading us a five-page document to tell us that there are unilateral exchanges, that we are going to supply information being unaware of what we will receive, the minister should consult his experts and tell us what France is offering us in return for what we have to offer her. We are going to help her. Mind you, I have no objection to helping France, far from it—however, we ought to know what we will get in return. Can French technicians supply us with better information than that we have had up to now, in Canada, in the electronuclear field, or shall we simply be satisfied to supply information, even if we get nothing in return. It would be advisable, in my opinion, for the minister to consult his experts, as I said earlier, and to make a clearer, more specific, more intelligible statement for the benefit of the house. Mr. Speaker, rhetorical statements, are all very well, but they do not help to get things done.

If there are any exchanges, what are they? I think that Canada has the right to know.

• (3:50 p.m.)

[*English*]

HAZARDOUS SUBSTANCES

PROVISION FOR LABELLING OF POTENTIALLY DANGEROUS SUBSTANCES

Mr. Barry Mather (Surrey) moved the first reading of Bill No. C-118, concerning the labelling of hazardous household products.

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Mather: Mr. Speaker, the purpose of this bill is simply to require the labelling of hazardous products, particularly detergents, as being potentially dangerous to the health of those who may accidentally ingest or inhale them, notably children and housewives.

Motion agreed to and bill read the first time.

NATIONAL TRADE MARK AND TRUE LABELLING ACT

AMENDMENTS RESPECTING LABELLING OF CLOTHING FIBRES

Mr. David Anderson (Esquimalt-Saanich) moved the first reading of Bill No. C-119, to amend the National Trade Mark and True Labelling Act.

Some hon. Members: Explain.

Mr. Anderson: Mr. Speaker, the purpose of this bill is to require garment manufacturers to clearly label their products with the true fibre content. This is important for two reasons, first, in respect of dry cleaning. Unless garments are properly marked dry cleaners do not know how they should be handled having regard to fibre content. The second reason is inflammability. It is a scandal that in Canada children's garments are being sold which are inflammable when there is no indication of this on the labels.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. G. J. McIlraith (for the Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to authorize the Canadian National Railway to make capital expenditures including investment in securities of affiliated companies in the calendar year 1968 not exceeding in the aggregate $264,400,000, to make capital expenditures in the first six months of the calendar year 1969 not exceeding in the aggregate $75,000,000 for discharging obligations incurred prior to the 1st day of January, 1969, to enter into contracts prior to the 1st day of July, 1969, for equipment, additions and conversions requiring payments after the calendar year 1968 not exceeding $90,000,000, to borrow either from Her Majesty or by means of issues of securities guaranteed by Her Majesty an amount not exceeding $75,000,000 for investing in securities of Air Canada and a further amount not exceeding $16,000,000 for construction of branch lines; to authorize Her Majesty to make loans directly to Air Canada or to guarantee issues of securities of Air Canada not exceeding $130,000,000 for discharging obligations of the airline that become due and payable prior to the 1st day of July 1969; to authorize Her Majesty to continue to purchase until December 31st, 1969, Canadian National Railway Company 4 per cent preferred stock in an annual amount not exceeding 3 per cent of the gross revenues of the company; to extend until December 31, 1969, the moratorium on interest on the loan of $100,000,000 to the company authorized by the Canadian National Railways Capital Revision Act of 1952; to authorize Her Majesty to make loans to the Canadian National Railway Company and Air Canada to meet deficiencies in operating revenues to June 30, 1969, any such loans to be repaid from revenues of the railway company and Air Canada or, if revenues prove insufficient, by subsequent deficit appropriation by Parliament.

Motion agreed to.

FINANCE

PROPOSED AMENDMENTS RESPECTING INTERNATIONAL MONETARY FUND AND EXCHANGE FUND ACCOUNT

Hon. G. J. McIlraith (for the Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Bretton Woods Agreements Act and the Currency, Mint and Exchange Fund Act so as to enable Canada to participate in a new arrangement in the International Monetary Fund to create new reserve assets that would supplement gold and reserve currencies in the participating countries foreign exchange reserves and would effect certain administrative and operational changes in the existing structure of the fund; and to permit the exchange fund account to receive, hold and sell the new reserve assets.

Motion agreed to.

HARBOURS

ROBERTS BANK, B.C.—INQUIRY AS TO JURISDICTION

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in order to clarify a number of urgent matters of national importance surrounding the Roberts Bank port development, is the Prime Minister in a position today to tell the house in what respects of this development the federal government proposes to exercise jurisdiction and what respects it proposes to leave to provincial control?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, this is an area of joint jurisdiction, as the hon. member has suggested. We propose to exercise jurisdiction in all areas coming under federal jurisdiction and leave to provincial control those matters under provincial jurisdiction.

Mr. Stanfield: Mr. Speaker, is the Prime Minister or the Minister of Transport prepared to make a full statement this week indicating where the government of Canada proposes to exercise jurisdiction? In particular, could the Prime Minister or the responsible minister indicate whether the government of Canada has agreed with the province of British Columbia that the province shall have jurisdiction over the proposed railway link from the port to existing railways under federal jurisdiction and, if so, what assurance has the government of Canada received from the provincial government in respect of access to this port over a provincially controlled railway? This is of obvious national concern.

Mr. Trudeau: I am sure the Minister of Transport is prepared to consider making a statement in this regard on a day he is in the house.

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask the Prime Minister whether the government, when considering the point raised by the Leader of the Opposition, will also take into consideration that under section 92(10)(c) of the British North America Act there is provision for federal intervention in this field?

Inquiries of the Ministry

TRADE

WHEAT—NEGOTIATIONS RESPECTING SALES TO CHINA AND RUSSIA

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in the absence of the Minister of Transport will the Prime Minister tell the house when negotiations will commence in regard to sales of wheat to China and Russia?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Trade and Commerce will be in the house on one of the following days.

Mr. Gleave: Will the Prime Minister also ask the minister to make a statement on motions as to the outcome of the recent deliberations of the international wheat council in regard to maintenance of minimum prices under the international grains arrangement?

Mr. Trudeau: I would prefer to let the hon. member ask the minister.

[*Translation*]

EXTERNAL AFFAIRS

NIGERIA—SALE OF ARMS BY GREAT BRITAIN

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs.

Could he tell us whether his government has made representations to Great Britain asking her to stop its sales of offensive weapons to the federal Nigerian troops?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister answered the same question the other day.

[*Translation*]

Mr. Dumont: Mr. Speaker, a supplementary question to the Secretary of State for External Affairs.

Has the minister protested to Russia against the sale of offensive weapons to Nigerian troops?

[*English*]

Mr. Sharp: Mr. Speaker, this question was also answered by the Prime Minister.

[Mr. Mather.]

HEALTH AND WELFARE

INDIAN HEALTH SERVICES—DISPENSING OF DRUGS

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, what action does the Minister of National Health and Welfare plan to improve drug dispensing to Indians, in view of the very inadequate knowledge exhibited by these people on a television program last Sunday night?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as I indicated in a statement I made earlier in the house, this whole program is under review. More resources are being made available for the dispensing of drugs to Indians, and we hope the situation will improve in the future.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, does the minister have cause now to reflect on the assurance he gave in the house on October 2 that lay dispensers are operating only under the effective direction of qualified nurses with whom they can be in easy communication?

Mr. Munro: Mr. Speaker, if the Leader of the Opposition will check my statement I am sure he will realize I did not say that. I did say that lay dispensers were to be ministers' wives, certain Indians, and school teachers as well as nurses. That was clearly my statement. I also indicated that in some of these isolated communities where there are very few people the quality of these services being provided to Indians are not even made available to white communities, in similar circumstances, so there can be no suggestion of discrimination. I might add that the services in this regard are often superior to those offered other people in some communities.

We are looking into the allegation on Sunday night to the effect that there were lay dispensers who could not even read, to which I believe the Leader of the Opposition has referred. The dispensing program has been going on for about 50 years and in the overall picture it is working out very well.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, in order to arrest the deaths and suffering now occurring will the minister introduce special emergency measures to improve the lay dispensers program while this review is in progress?

Mr. Munro: We are both extending and improving this program at the same time.

[*Later:*]

Mr. Stanfield: Mr. Speaker, I rise on a point of order. A few minutes ago I asked the Minister of National Health and Welfare whether he had cause to retract the assurance he gave the house on October 2 that lay dispensers were operating as qualified nurses. He suggested to the house he had said something different. I direct the minister's attention to the following sentence on page 693 of *Hansard,* and I relate my question to it:

> The dispensers are trained to give first aid and may dispense simple drugs only on the directions of the nurses in the area with whom they get in contact by telephone to have prescriptions given. If the case is serious the nurse has the patient sent in to the nearest nursing station.

Mr. Munro: Mr. Speaker, I apologize to the Leader of the Opposition. I thought he was referring to the lay dispensers themselves being registered nurses.

Mr. Stanfield: Will the minister now state whether he has cause to retract this statement?

Mr. Munro: I have no cause to retract because I do not know to what incident the Leader of the Opposition is referring. If he is saying that lay dispensers have dispensed drugs without such direction, I wish he would cite a specific instance and I will look into it.

Mr. Stanfield: The minister gave an assurance to the house on October 2. Is he standing by that assurance?

Mr. Munro: Yes, I am, Mr. Speaker. If some incident has come to light which would indicate this is not the case and the Leader of the Opposition would point it out, I would look into it right away.

AGRICULTURE

INQUIRY AS TO ASSISTANCE TO WESTERN FARMERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in the absence, in the ministerial charade, of the Minister of Agriculture and the Minister of Industry, Trade and Commerce, I would like to direct a question to the Prime Minister. In view of the very serious situation on the prairies, brought about as a result of climatic conditions, is an investigation or assessment by the Department of Agriculture or other departments now taking place to ascertain what action can be taken in order to assist the western farmers in a situation that has assumed almost catastrophic proportions?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am sure the Minister of Agriculture would be delighted to answer this question when he is in the house.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister is here, and my question covered two departments. I ask the Prime Minister, is he not in a position to let the house know something about this question, in the absence of the two ministers? Surely parliament is entitled to a better attempt at an answer than that. I say with great respect to the Prime Minister that he is playing with parliament by answering in this way.

Mr. Trudeau: I will make an attempt at a better answer, Mr. Speaker. The right hon. gentleman asked a question about what was happening in the Department of Agriculture.

Mr. Diefenbaker: And in the Department of Industry, Trade and Commerce.

Mr. Trudeau: And in the Department of Industry, Trade and Commerce. I am sure the right hon. gentleman knows there are two ministers who know what is going on in those departments better than I do.

Mr. Diefenbaker: If that is the best answer the Prime Minister can give, it shows the wrongness of what he has done.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—COVERAGE GIVEN FORMATION OF SEPARATIST PARTY

On the orders of the day:

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my question is directed to the right hon. Prime Minister.

Everyone knows—and he must, too—that two important conventions took place in the province of Quebec last week-end: that which saw the creation of a new provincial political party and that of the Ralliement Créditiste.

Since the C.B.C. gave twice as much broadcast time to those who want to destroy Canada than to those who want to build it up and unite it, could the Prime Minister tell us whether he will order an investigation to find out the reason for this behaviour on the part of the Canadian Broadcasting Corporation?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, as the hon. member knows, I am not responsible for C.B.C. programming and the powers of the minister responsible for

this crown corporation are limited as concerns his intervention in matters of programming. I am convinced the Secretary of State (Mr. Pelletier) will be glad to read the member's representation in *Hansard* and to make report, if he deems it advisable.

[*English*]

COMMUNICATIONS

CO-OPERATION WITH FRANCE IN SPACE AND SATELLITE RESEARCH

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to address a question to the minister-designate for communications. Will he advise whether officials of the Canadian government are now in Paris holding discussions with French government officials on the question of Franco-Canadian co-operation in space and satellite telecommunications research? If so, can he indicate the specific area to which the discussions are being directed?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, there is a mission, including some members of the department of communications, which is exploring sources of supply for the buying of the various components needed for the construction of satellites. We are exploring all possible markets and at the present time are concentrating on the European market.

EXTERNAL AFFAIRS

PRIVATE AND OFFICIAL EXCHANGES WITH WARSAW PACT COUNTRIES

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. My question seeks information. How has the government cut down on private and official exchanges of a political nature with Warsaw pact countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have made a couple of statements on this question. I am not quite sure whether some of them were made in the house, but I have made them freely available to organizations.

Mr. Fairweather: Could the minister mention them to the members of parliament?

Mr. Sharp: Yesterday and on Sunday in Winnipeg I spoke about this subject particularly, but I do not know whether Your Honour would want me at this time to make a general statement on the question. It would take me more than a couple of minutes. Perhaps I might make a statement on motions.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Perhaps the minister will make a statement to the house on these matters, and when he does he might reveal to the house the means by which the government of Canada proposes to discourage private exchanges between groups in Canada and groups in Warsaw pact countries.

Mr. Sharp: Mr. Speaker, now that I have been asked a question in the house I shall be very happy to make a statement.

Mr. Speaker: Is it the wish of the minister to do this?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Sharp: Not now, Mr. Speaker, but tomorrow.

Mr. Speaker: Order, please. There is not unanimous agreement.

HEALTH AND WELFARE

REQUEST FOR LEGISLATION RESPECTING SNIFFING OF AEROPLANE GLUE, ETC.

On the orders of the day:

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Is it the intention of the government to introduce legislation regulating the sale of harmful substances such as glue for model aeroplanes, which caused an unfortunate death in Ottawa recently?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, legislation of this nature will be introduced. We will decide at that time whether this type of product should be placed within the ambit of the legislation. I would like to point out that perhaps this is one area in which legislation is not the over-all cure. Not only glue sniffing but, as has been indicated, fingernail polish, gasoline and cleaning fluids as well, are involved in this question. There are several products in this area where the government must consider whether legislation is an appropriate remedy.

Mr. Max Saltsman (Waterloo): A supplementary question, Mr. Speaker, to the Solicitor General. In view of the growing incidence of glue sniffing and its serious effects, will he introduce amendments to the Criminal Code making glue sniffing an unlawful act subject to control by law enforcement agencies?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I will take the hon. gentleman's suggestion under consideration.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Solicitor General which is supplementary to the questions asked earlier today regarding matters affecting juveniles, questions having to do with glue sniffing, and so on. Is the government considering the introduction at this session of legislation along the lines of a juvenile act similar to the draft that was presented to us in the last session by the minister's predecessor, the hon. Mr. Pennell?

Mr. McIlraith: Mr. Speaker, new legislation is in the course of preparation, though I do not think the bill will be called the juvenile act; at least, I do not expect it will. Owing to the amount of business before the house I doubt very much that we will be able to receive it at this session. The matter is progressing quite well.

NATIONAL DEFENCE

PARTICIPATION IN DESIGN AND DEVELOPMENT OF NEW PLANE

On the orders of the day:

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, my question is for the Minister of National Defence. It arises from an answer given previously in the house and the fact that today, October 15, is the deadline for Canada to join the European fighter aircraft consortium. Will the Minister of National Defence say what decision has been made by the government in this respect?

Hon. Léo Cadieux (Minister of National Defence): There is no decision yet, Mr. Speaker. The extension to October 15 has been further extended to November 1.

Mr. Harkness: A supplementary question, Mr. Speaker. Does the minister expect to make a statement in this regard in the house prior to November 1?

Mr. Cadieux (Labelle): I expect so, Mr. Speaker.

Inquiries of the Ministry

EXTERNAL AFFAIRS

NIGERIA—TERMS OF REFERENCE OF OBSERVER TEAM

On the orders of the day:

Mr. Andrew Brewin (Greenwood): .Mr. Speaker, I should like to put my question to the Secretary of State for External Affairs. In view of the suggestion made in the most recent report of the observers' team in Nigeria that the organization of their operation leaves something to be desired in respect of the efficacy of the operation, will the government give consideration to changing the terms of reference of the observer team?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I read this morning the report of the visit of the observers team to the third Nigerian marine commando division. As soon as I read the remarks in which the observers themselves suggested that their operation should be extended in this way I gave instructions that we should send a message to the Nigerian government supporting the suggestion and saying that we were ready to supply additional observers.

POST OFFICE DEPARTMENT

REQUEST FOR DELAY OF LEGISLATION RESPECTING NEWSPAPER RATES

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Postmaster General. Since Bill No. C-116 will have a direct effect on the distribution of the Halifax *Chronicle-Herald* and its 33,000 readers who receive their paper by mail each day, will the minister postpone second reading of the bill until this Canadian newspaper and others drastically affected have an opportunity to present their case?

Mr. Speaker: Order, please. I will allow the question although its basis is perhaps not correct. I understand that a number of hon. members have made similar representations. I do not think the basis of the question is in order but in any event I will allow the minister to reply.

Hon. Eric W. Kierans (Postmaster General): No, Mr. Speaker. As soon as the matter can be brought before the house I would welcome a debate. At the present time, of course, newspapers across the country are greatly exercised by the increases proposed for second class mail. I might remind hon. members that

our present subsidy to newspaper publishers amounts to approximately $37 million. Some weeks ago when the Post Office Department announced that it had every intention of trying to bring its budget into balance we were happy to receive the almost universal editorial approval of the newspapers across the country. Now apparently the question is, who pays for it? Me?

Mr. Speaker: Order, please.

Mr. G. W. Baldwin (Peace River): I have a supplementary question. Would the minister review his decision not to have this bill sent to a committee, so that thousands of people all over Canada who want to express their dissent will have a forum in which to do so?

Mr. Kierans: Mr. Speaker, they will have the forum in this house. I think all the briefs that have been presented have also been presented to previous governments. Everyone wants to see the government and the Post Office Department reduce their deficits, but it is also true that everyone wants everybody else to be the victim of any such measures rather than themselves.

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a supplementary question for the Postmaster General concerning his reference to the $37 million deficit. What portion of that sum is made up by so-called Canadian editions of U.S. magazines?

Mr. Speaker: Order, please. I would think this is a point of debate.

Mr. W. B. Nesbitt (Oxford): I have a supplementary question to the Postmaster General. Can he say whether representations have been made to him objecting to the five day delivery rather than to the increase in rates?

Mr. Kierans: Yes, Mr. Speaker. The Liberal caucus has formed a group of 35 people who are studying this matter, not just protesting against it, and I am having meetings with them and listening to arguments, not to emotion.

Some hon. Members: Oh, oh.

An hon. Member: Why not send it to a house committee?

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I have a supplementary and unemotional question. Will the minister say what plans he has to see that daily newspapers are received by people six days of the week?

[Mr. Kierans.]

Mr. Kierans: I think I would be prepared to answer that after two or three more discussions with members of the Liberal caucus.

Some hon. Members: Oh, oh.

Mr. Barry Mather (Surrey): I have a supplementary question. Would the minister give consideration to exempting from the increases on second class profit oriented mail those publications which are not profit oriented, such as educational newspapers?

Mr. Speaker: Order, please. I have to remind hon. members that we are now discussing a matter which is on the order paper and is already before the house. It is certainly irregular to be spending the time of the house in asking questions of the minister about a legislative proposal which is before the house and which I assume, will in due course come before hon. members for study and consideration. It seems to me that that would be the normal time to submit representations to the minister.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister arising out of the answers given by the Postmaster General. In the light of these answers could he indicate of what value parliament is?

Mr. J. P. Nowlan (Annapolis Valley): I rise on a point of order, Mr. Speaker. In view of the answer of the Postmaster General, which was most interesting and illuminating, certainly members of this house will carry on an unemotional debate on a bill which will affect most people in Canada rather severely if it goes through unamended. My original intention was to put a question to the Postmaster General but since you, Mr. Speaker, will not allow any more supplementary questions I rise on a point of order to say to the Postmaster General that if the house is to continue an unemotional debate on the bill and if the Postmaster General will be absent from the house on the two or three days when he is not scheduled to be here in the question period so as to enable him to meet with the Liberal caucus, could he also take into his confidence in an unemotional way some hon. members on this side who will be debating the merits of this bill and present to the house some of the surveys and reports from his officials which have gone into his decisions in drafting the bill he has presented to the house? This would certainly make for a

more logical, unemotional and rational debate on legislation which is pretty drastic.

Mr. Speaker: Order, please.

Mr. Nowlan: I was trying to make my point on a point of order.

Mr. Speaker: The hon. member has made his point but I doubt that it was a point of order.

Mr. Nowlan: Mr. Speaker, I have a supplementary question. I appreciate the limits of a point of order. My question is directed to the Postmaster General. In order to provide as much information as possible on this rather drastic bill, could he table the reports or the surveys of his department which were partly the basis of the bill?

Mr. Kierans: Yes, Mr. Speaker. Last Friday we prepared a series of financial statements and supporting documents which I hope will be ready for distribution to all members of this house no later than Thursday.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question. In view of the Postmaster General's recognition of the desirability of this bill being studied by a selected group of members of this house, does he not feel that that group should include members of all parties and should it not therefore go to a standing committee of the house?

Some hon. Members: Hear, hear.

Mr. Kierans: I referred to a particular initiative on the part of some members of the Liberal caucus. I would be quite glad to be invited to any other group or caucus in this house.

Mr. Knowles (Winnipeg North Centre): Is there not such a thing as parliament around here?

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to ask a supplementary question.

A while ago a member asked the honourable minister whether or not he had received complaints from the public or from some groups in connection with the bill he intends to introduce in the house.

I also received a telegram today which is quite interesting from the Quebec newspaper *Le Soleil*. May I ask him whether or not he has received a copy of same and, if so, whether or not he considers it to be a complaint.

[*English*]

Mr. Speaker: Order, please. The question asked by the hon. member for Lotbinière indicates that perhaps I was right in my fears about the question as it was posed originally.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I will be a little less emotional in my supplementary question than was the Postmaster General. When can we expect a statement emanating from the discussions being held presently among the 35 Liberal members? I am receiving quite a number of telegrams from people who are anxious to hear a statement resulting from the deliberations of the Liberal members. When can we expect the statement?

Mr. Speaker: Order, please. The hon. member for Dartmouth-Halifax East.

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

Mr. Speaker: The question of the hon. member is not in order but I will hear him on a point of order.

Mr. Lundrigan: In view of the fact that I am receiving quite a number of requests I wish to ask the Postmaster General when we can expect a statement resulting from the deliberations taking place right now?

Mr. Speaker: That was the question the hon. member asked in the first instance.

[*Later:*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Since the Postmaster General expressed a willingness to meet with any hon. members who represent constituencies faced with post office problems, and since a number of members have expressed an interest in this offer, will the minister make himself available at five o'clock in my office and, if not, when?

[*Later:*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is directed to the Postmaster General. Recalling his willingness to take a second look I ask him whether, upon reflecting that the rights of parliament transcend the rights of any party, he will not agree that the standing committee might be a more suitable and appropriate forum to discuss Bill No. C-116 than the committee of the whole house?

Inquiries of the Ministry

EXTERNAL AFFAIRS

BIAFRA—ORGANIZATION OF INFORMATION SERVICE

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I hesitate to change this most interesting area of questioning but I should like to direct a question to the Secretary of State for External Affairs. In the light of the minister's repeated statements that Canada will not interfere or comment on the political aspects of the Nigeria-Biafra war, will the minister tell the house if his remarks on the nature of the Biafran information services on the C.B.C. news last night reflect a change in his public position or in the government's policy?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, I was simply referring to what is well known; that is, that the information services of the Biafran authorities are extremely well organized.

[*Translation*]

NORTHERN AFFAIRS

QUEBEC—JURISDICTION OVER INDIANS AND ESKIMOS

On the orders of the day:

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to direct my question to the Minister of Indian Affairs and Northern Development.

Can he tell us if he will soon hold talks with the Quebec Minister of Natural Resources about the management of Indian affairs in Quebec? Can he tell us also if the transfer of certain powers to Quebec will be discussed?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not intend to meet immediately with the Quebec Minister of Natural Resources because he has not asked to meet me, but should he want to do so, I would be most happy to discuss with him all aspects of Indian affairs in the province of Quebec.

[*English*]

NATIONAL DEFENCE

INQUIRY AS TO PAY INCREASES FOR ARMED FORCES

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have a question for the Minister of National Defence. Can the hon. gentleman advise whether pay increases for the Canadian armed forces will be announced before the budget next week and, if not, when?

[Mr. Macquarrie.]

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I am afraid that the increases will not be announced before the budget. I expect that we might have an announcement some time in the course of the next three or four weeks. It should be emphasized, however, that whenever the announcement is made the increases will be retroactive to October 1.

[*Later:*]

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question for the Minister of National Defence supplementary to the one he answered a few minutes ago in relation to the statement he would make concerning service pay. Will this statement also include a statement with regard to a possible increase in the service pensions of retired military personnel who retired when rates of pay were much lower than they are at present, with special consideration for those in the lower ranks?

Mr. Cadieux (Labelle): First of all, I must say I did not undertake to make a statement. I said that the pay increases would be announced. I undertook to make a statement about the multi-role aircraft. It is not expected we are going to study at the same time both the pensions and the pay increases. What we are trying to do is to adjust the salaries of service personnel and also to do some catching up.

WATER RESOURCES

PEMBINA RIVER—REPORT OF INTERNATIONAL JOINT COMMISSION

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. He was here a few minutes ago and I took it for granted this was his day in the house. However, perhaps one of the other ministers will take the question as notice. Has the minister had any discussions with the government of Manitoba concerning the Pembina river development recommended by the International Joint Commission in its submission to the governments of Canada and the United States?

Right Hon. P.-E. Trudeau (Prime Minister): I will take the question as notice, Mr. Speaker.

PENSIONS

SUGGESTED USE OF COST OF LIVING BASE

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct my question to the Prime Minister. In the review of the various social security and allowance programs which the government is carrying out, will the principle be adopted of basing federal pensions and allowances on the actual cost of living?

Mr. Speaker: Order. I wonder whether the hon. member would not agree that the question as asked is very wide in scope and should not be asked in those terms at this time.

INDIAN AFFAIRS

COMMITTEE CONSIDERATION OF PROPOSED AMENDMENTS TO ACT

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the plans being made relating to consultations in connection with the Indian Act, would the Prime Minister make arrangements to ensure the organization of the appropriate standing committee of the house on Indian affairs and northern development and, particularly, would he use his good offices to see that a draft of the proposed amendments to the Indian Act is placed before the committee for consideration so that the committee could give full consideration to the members of the house participating in these consultations?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I would be glad to take that up with the house leader.

FISHERIES

GREAT LAKES—ESTIMATE OF DAMAGE FROM POLLUTION

On the orders of the day:

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I should like to direct this question to the Minister of Fisheries. Has the government any plans to do the necessary research so an estimate can be made of the damage being done to great lakes fisheries by pollution?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, we have some information in the Department of Fisheries and more is being collected in co-operation with other departments of the federal government.

Inquiries of the Ministry

Mr. Noble: May I ask a supplementary question? When can we expect a report to the house on this matter? It is assuming quite serious proportions.

Mr. Davis: Soon, I hope, Mr. Speaker.

NORTHERN AFFAIRS

WHITE PAPER ON DEVELOPMENT OF RESPONSIBLE GOVERNMENT

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. In view of the statement made by him in Yellowknife recently, can he tell the house whether the government has now changed its policy and abandoned the idea of tabling a white paper on the development of responsible government for the Yukon and Northwest Territories?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, during my visit to Yellowknife, after discussing with members of the Territories council, I told them that it might not be necessary to prepare a White Paper on the constitutional future of the Northwest Territories. I have not discussed the same problem concerning the Yukon Territory, and I intend to meet the Yukon Territorial council during the week end to find out about their particular problem.

[*English*]

Mr. Nielsen: May I ask a supplementary question? Is it, then, government policy that the idea of the white paper has been abandoned?

[*Translation*]

Mr. Chrétien: No, Mr. Speaker.

[*English*]

Mr. Nielsen: My supplementary question is to the Prime Minister. In view of the communication he has received from members or a member of the Yukon legislative council with regard to participation of the elected representatives in the federal-provincial conference, can he say whether or not government policy will allow such representation at the forthcoming conference?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the minister just indicated there would be a white paper on this matter.

Inquiries of the Ministry

DRUGS

PROTECTION AGAINST COUNTERFEIT PRODUCTS—CRIMINAL PROCEEDINGS

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he can enlighten the house further on the replies he gave two or three weeks ago about the existence of counterfeit drugs on the Canadian market? Can he say whether or not they have been all located and collected so that these drugs are no longer available to the public? Has the food and drug directorate taken any action with regard to laying charges in this connection?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as I advised earlier, the department is satisfied that there are no more counterfeit drugs on the market available to the Canadian public. In so far as any charges are concerned, these are under investigation now. However, no conclusions have been reached on whether there is sufficient evidence for laying charges.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, in the absence of the Minister of Justice and the Minister of Industry, Trade and Commerce, perhaps my question can be taken as notice. Will the government reconsider its decision to extend $20 million in aid to a company known as Melville Pulp and Paper Company, inasmuch as this company is owned principally by a fugitive from United States justice?

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

NATIONAL PARKS

SASKATCHEWAN—REQUEST FOR SECOND PARK

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development, related to the minister's statement last Thursday to the national parks conference at Calgary to the effect that the government has set a goal of 40 to 60 new national parks by 1985. Can the minister indicate whether the second national park for Saskatchewan, which was promised by his predecessor on April 22, 1965, will be developed at an early date?

[Mr. Trudeau.]

Mr. Speaker: The hon. member cannot ask the question in this way since it relates to a statement made outside the house. I must recognize that when the hon. member for Yukon asked a question that perhaps was not in order I was a bit late in rising to the occasion to remind him that the question as asked was not in order. I have to remind the hon. member that the only way this type of question can be asked is by posing it to the Prime Minister and asking whether the statement made outside the house represents government policy.

FARM IMPROVEMENT LOANS ACT

AMENDMENTS EXTENDING PERIOD, RESPECTING INTEREST RATES, ETC.

The house resumed, from Thursday, October 10, consideration in committee of Bill No. C-111, to amend the Farm Improvement Loans Act—Mr. Olson (for Mr. Benson)—Mr. Faulkner in the chair.

The Chairman: Order. House again in committee of the whole on Bill No. C-111, to amend the Farm Improvement Loans Act. When the committee rose on Thursday, October 10, clause 2 was under consideration. Shall clause 2 carry?

On clause 2—

[*Translation*]

Mr. Rondeau: Mr. Chairman, we could not let clause 2 of Bill No. C-111 go through without saying what we really think about that clause which we consider as the most important.

I do not need, at this point, to dwell on the importance of agriculture in Canada, in the province of Quebec or in eastern Canada. That would be unnecessary, since all members are well aware of that.

Consideration of Bill No. C-111 leads us to discuss the importance of the financing of agriculture in Canada. It is unfortunate that the Minister of Finance, (Mr. Benson) and the Minister of Agriculture (Mr. Olson), with the first bill he introduces in this house, ask us to increase the maximum rate of interest from 5 per cent to a level which they cannot disclose. The Minister of Agriculture told us the other day in this house that he did not know this interest rate, but that this would be the normal interest rate on the market.

In my opinion, Mr. Chairman, if this clause is passed and the interest rate on farm loans is left to the whim of financiers or chartered banks, we will not be able to support it. We are sorry to see the difficulties facing our Canadian farmers and, at the same time, to see that the first legislation dealing with farmers is intended to abolish the present interest rate in such a way that it may double within two years. That is why it was impossible for us to swallow the whole without saying a word.

However, the hon. Minister of Agriculture tells us that if the 5 per cent maximum interest rate on farm loans is not raised, financial sources will be all the more restricted and the financiers will refuse to lend any money at all. Even though the income of Canadian farmers has been decreasing for several years, they have not stopped feeding the Canadian people. However, financiers refuse to put money at the disposal of Canadian agriculture. It is strange to realize that, during the farmers' march on the hill last year, as well as during the marches on Quebec and other provincial legislatures, the hon. Minister of Agriculture was able to say no to the farmers when they asked for new subsidies or for the increase of subsidies to the dairy industry, for example. We are able to say no to the Canadian farmers when it is a question of selling their products with a reasonable profit. But when it comes to financing agriculture or to say no to those who have provided farmers or other professional groups, with money, we have not yet learned to do so.

It is unfortunate to note that our governments, whatever they may be are on hands and knees before the farmers on the eve of an election to beg for votes, but the following day or 3 or 4 months later, they already have both hands in the farmers' pockets to take their money away and repay financiers for their contributions to the election fund during the last six months. It is distasteful for me today to have to blame our Minister of Agriculture.

• (4:40 p.m.)

In my opinion, the present minister of Agriculture has more knowledge than any other of his predecessors, in the fields of both agriculture and financial administration. We find it hard to believe that today he should be forced to introduce a bill to abolish the 5 per cent interest rate, when he knows of other solutions. I shall be pleased to suggest a few solutions in a moment or two.

Why increase the interest rate for our farmers? Are past and present lenders bankrupt or short on profits? Before increasing the revenue of those who lend to farmers, we should really establish who makes profits and who does not.

When we see the relevant figures, we realize that past or present lenders are not those who had to suffer from a reduction of their interest rate. On the contrary, it is the farmers' margin of profits which decreases constantly, whereas that of finance companies and banks keeps rising. But instead of being discouraged, the finance companies and the banks are encouraged, while farmers are not.

If we consider the effects of a loan for example of $25,000, at an interest rate of 5 per cent for 30 years, it represents a total interest cost of $15,315. On the other hand, if we examine Bill No. C-111, where the future rate of interest for farming investments is not indicated, we can easily assume that the rate of interest will before long be set at least at 9 per cent on $25,000 for a 30 year period, which means a total of $27,565.50 for the interest alone. Therefore, the surplus of interest which farmers will have to pay on a farming investment of $25,000 in six months or a year, according to the loan which they will have been granted, will be exactly $12,-250.50, as compared with what they previously paid on a farming loan of $25,000 for a 25 year period.

Now, Mr. Chairman, that is $12,250 more in interest only on his investments. According to the newspaper *La Terre de chez nous* for the month of June, a farmer, with agricultural investments of $25,000 a year, does not net a profit of more than $450 a year; that is the return on his work and his investments. He makes a salary of $450 on investments of $25,000; and now we are on the point of asking him $600 to $700 more in interest each year.

Mr. Chairman, that is why we cannot support this bill, because we have our say in the matter of interest rates. When the rate of interest is being discussed in this house, we are discussing something which falls within our responsibility.

At this point, I wish to refer to three official documents of the House of Commons, in support of my argument.

First, in the famous B.N.A. Act of 1867, which is considered to be the charter of the Canadian Constitution, in connection with the distribution of powers between the federal

and provincial governments, it is stipulated specifically, in section 91, subsection 19, that the federal government has jurisdiction in all matters concerning:

Interest.

We are the federal government, not the stock market or the whims of the banking interests. Let us then begin by determining exactly and legally who is empowered to fix the interest rate and let us accordingly establish ourselves the interest rate on money, which falls within the jurisdiction of the parliament of Canada. The parliament of Canada is the government of the people, the elected representatives of the people. Let us then assume our responsibilities and not allow the interest rate to fluctuate according to the whims of the big interests, of those who control the banks and combines.

Mr. Chairman, the Bank of Canada was created in 1934 by an act of parliament. After many years of investigation and many royal commissions, the Bank of Canada fixed its basic interest rate at 2 per cent and maintained it at that level for 22 years, in spite of the period of economic recession during the war and the post-war boom. This line of action, as far as the 2 p. 100 interest rate is concerned, has been maintained with the approval of the Parliament of Canada which has supreme authority over the Bank of Canada.

In 1956, 1957 and 1958, we heard that there might be changes in the interest rate; the 2 p. 100 rate helped to maintain at a low level the other rates of bonds and bank loans.

It is interesting to note, in the annual report of the Bank of Canada for 1956, the statement of the then governor, Mr. J. E. Coyne, which is on page 49, and I quote:

"In its day-to-day operations the Bank generally offers some resistance to changes in interest rates (in either direction) in the interests of maintaining orderly conditions in financial markets—"

Mr. Chairman, to maintain order on the financial market, the governor of the Bank of Canada fought in 1956 against too many changes in the interest rates. There must be a basic rate in Canada—there must be a basis somewhere—and the Bank of Canada was created to regulate money and credit to the advantage of the nation as a whole. Moreover, it is under the power of parliament.

Why then was Mr. Coyne removed from his post and replaced by another governor in 1957 right after saying those words which appear in the annual report? Why did the rates of the Bank of Canada start to fluctuate

[Mr. Rondeau.]

from 2 to 6.35 per cent during the same year? Why did the federal government later proceed with the conversion of up to $6.4 billion in war bonds bearing interest between $2\frac{1}{4}$ and $2\frac{1}{2}$ per cent to rates of $3\frac{1}{2}$, 4 and 4.18 per cent? The federal government saw fit to stop maintaining order on the financial market and to allow speculation which has been going on ever since, that is for the last ten years.

In June 1968, our present government renewed $500 million of bonds at rates of $6\frac{1}{4}$, $6\frac{1}{2}$, 7 and $7\frac{1}{4}$ per cent to redeem matured bonds at $2\frac{3}{4}$ per cent. In October 1968, it issued another $500 million in bonds at 6, $6\frac{1}{4}$, and $6\frac{1}{2}$ per cent, the greater part of which is only to renew bonds at 5 per cent.

Let us mention that in all that, the government of Canada, rather than the transferable securities market, has full and sole jurisdiction on interest. In principle, from the legal point of view, that is true, but in practice, we are now at a point where it is the brokers, the banks, the financial agencies that are forcing the government to submit to their whims, so that they can increase the rates of interest and enlarge their profits.

• (4:50 p.m.)

I have here before me the reports for three consecutive years of the chartered banks of Canada. If I look at the report for 1965, published in The Gazette of Canada at the end of the financial year ending December 31, 1965, the banks were showing total assets in the amount of $25,874,000,000. The following year, that is at the end of 1966, these assets amounted to $27,773,000,000. Therefore, their assets had increased by more than $2,000,000,000 during these two years.

The financial report of 1967, for the eight chartered banks of Canada, which was published in February 1968, shows total assets of $31,845,000,000. And if I look at the last banks' report, published on August 31, 1968 in The Gazette of Canada, I see assets for the eight chartered banks of Canada totalling $34,332,000,000. This means that within eight months, Canadian banks have made profits of more than $3 billion.

On the other hand I read on the back of the same reports, that the subscribed capital of banks, the paid-up capital, amounts to only $287 million, and that from 1967 to 1968, the increase of the paid-up capital was only $6 million. At the end of 1967, the total paid-up amounts of money in banks, from the viewpoint of shareholders, was $287 million and,

at the present time, the total amount paid up by shareholders reached $293 million. However, with a $6 million increase of the paid-up capital they had capital gains. The assets increased, in a period of ten months, by more than $3 billion, while the subscribed capital was more than $6 million.

Mr. Chairman, I say all this to prove that today finance companies and banks particularly cannot claim that they do not make profits. It is strange however that the cost of living should increase in the same proportion as banks pile up benefits.

On page 312 of the book entitled *Le Canada au XXe siècle*, there is a passage dealing with Alberta, home province of the honourable Minister of Agriculture, and it is stated that the government of that province reduced the rate on its bonds in order to pay off its provincial indebtedness. I quote:

Alberta reduced the rate of interest on its bonds from 7 per cent to 3 per cent and the Alberta government is now clear of any debt.

In order to pay its debts, the Alberta government has lowered the rate on its bonds, whereas in Ottawa we are about to increase the rate of the bonds and of the interest on farm loans. The situation has been more acute since October 30, 1967. The total bank assets exceed $31 billion. The total public deposits amount to $21,226 million with the chartered banks, but there is only $350 million in coinage and $2,850 million in banknotes. That makes a total of about $3,400 million in money visible to the naked eye, palpable and transportable, made of metal or paper, however deposits in the banks were still over $21 billion. Therefore—and the Minister of Agriculture knows the answer—where does the difference of $18 billion come from? This is the big question the people have been asking themselves for a long time. If, at the present time, there is only $3 billion in circulation, in Canada coinage and paper money, can we say who created the other $18 billion which are deposited in the banks? That question was already asked in the committee on finance, trade and commerce and economic matters by the hon. member for Compton (Mr. Latulippe) on February 6, 1967 and it appears on page 3012 of the proceedings of the committee. The question was put to the then Minister of Finance (Mr. Sharp), and here is his answer:

Mr. Sharp: The system used to create credit is well known. Banks grant loans; the money is deposited in banks and becomes part of the money supply. This is a way to create it. This is a widely known method. I think this is one of the methods assailed by the Social Credit members who call it not very natural.

So, Mr. Chairman, even with low investments, the banks can, thanks to the reserve they are bound by law to keep—which is 6% nowadays—with $6 in hand, grant loans up to $100.

I have here another article which was published in the Montreal *Gazette* of September 30, 1958, which the Minister of Agriculture will surely find well thought out, and I quote:

[*English*]

Why Does the Government Borrow Private Money?

Sir—Why have all three of the major political parties remained completely silent on what is by far the most important economic problem facing Canada today? I refer to the private control of the nation's money system.

The constitution already gives to the federal government complete authority to use the Bank of Canada to issue interest-free loans for public projects and for housing. Instead of doing so, the government allows the private banks to create about 95 per cent of our entire money supply and to lend it out at interest, for their own profit, regardless of the primary needs of the people. Even the government itself goes hand in hand to borrow from the private money lenders.

The government's incredibly stupid and utterly needless practice of borrowing Canadian money, at interest, means that the taxpayers are saddled with the burden of paying about $1,500 millions in interest, each year, for which they receive virtually nothing whatever in return. This payment of huge amounts of unearned interest, which represents no corresponding new production, is a major cause of the present inflation and is largely responsible for our excessive taxes.

The problems of inflation, excessive taxation, unemployment and exorbitant cost of housing will be solved when the federal government decies to use the Bank of Canada to issue interest-free loans for a construction program of needed public projects, also for housing (up to an available standard), just sufficient to provide and maintain full employment opportunities for all who desire to work and earn.

Let the money lenders get their profits by investing in private productive enterprise, instead of in public projects and housing which should be made available to the people at the actual cost of construction (labour and materials).

Can any person, anywhere, suggest even one good reason why the government should continue to borrow Canadian money, at interest? The people of Canada are being made the victims of the worst racket the world has ever known, the bankers' private money monopoly. What is Prime Minister Trudeau going to do about it?

[*Translation*]

Mr. Chairman, it is all very well to speak of a just society, but when we consider Bill C-111 and particularly clause 2 of that bill, we cannot see how we can possibly establish

a just society and allow the financiers to increase or double their profits when they already have a very good profit margin.

If it had been proved to us that the banks really show a deficit or are moving towards one, that they make no profits and have reason to complain of their existing interest rate, we would perhaps be more understanding and amenable. However, nothing of the sort has been proved.

On the other hand, in view of the very small profits of the farmers, of the existing situation in our rural regions and of the difficulties which they have to face with regard to obtaining a farm loan, it is obvious that our farmers cannot stay on their farms.

Last night, I received in my office a farmer who wanted to get a farm loan. He asked me where to apply, and so on, and he is solvent. But when I told him that, if the bill passed, the interest rate might be—the hon. minister does not know and I do not know either—8 or 9 per cent, according to the whims of the bankers and money handlers, he did not feel encouraged to buy the land he wanted.

In view of these considerations and because it has not been proved to us that those who lend money have to face financial difficulties, the hon. minister would have three solutions.

First of all, maintain the present interest rate on farm loans. Secondly, take from the consolidated revenue fund the surplus interest demanded by finance companies or banks. Thirdly, the most logical solution would be for the Minister of Finance to allow a Bank of Canada loan—as is done in other countries—without interest, to the Farm Credit Corporation.

If, tomorrow morning, the Bank of Canada were to grant a loan of about $9 billion to the Farm Credit Corporation as mentioned in Bill No. C-111, and if that loan were granted without interest, we would stop talking in this house about interest rate increases to the farmers. We would also stop talking about the rising cost of living, and our farmers could keep on being real farmers and stay on their farms.

Therefore, since no solution is offered except an increase in the interest rate, I move, seconded by the hon. member for Lotbinière (Mr. Fortin), that in subparagraph (e) of clause 2 be added after the words "by the terms thereof" the following words:

"That the rate of interest charged by the bank on the loan did not exceed 5 per cent per annum simple interest;"

[Mr. Rondeau.]

Mr. Chairman, this would simply mean that the farm loan would be left as it was in the past pending a more serious study of the farm problem by the Minister of Agriculture. In the meantime, the honourable minister should consider two other suggestions which I made. As for the latter, I think that he understands me and there is no need for me to explain it to him.

Let the Bank of Canada grant to the Farm Credit Corporation an interest free loan and then our farmers will be happier. I think that the hon. Minister of Agriculture would also be happier and a better Minister of Agriculture.

• (5:00 p.m.)

[*English*]

Mr. Olson: Mr. Chairman, I should like to advise the hon. member that there would be no purpose in bringing in this act for amendment at all if we were to accept his amendment because the rate of interest was 5 per cent up until the end of June, 1968, but several months before that the banks had stopped making loans to farmers at that rate of interest. The whole purpose of bringing in these amendments is to make adjustments so that the banks and other financial institutions will in fact lend their money to the farmers at a government guaranteed rate something below the going commercial rate at the present time. For that reason, therefore, we could not accept this amendment.

Some hon. Members: Question.

[*Translation*]

Mr. Fortin: Mr. Chairman, we believe that the amendment is in order. This goes without saying, since we believe that now is the time to give farmers the opportunity to make profits rather than always give the chance to bankers.

I would like to make a remark to the minister and that is why I am pleased to second the motion of the member for Shefford.

We know for a fact that the six biggest banks in Canada have made greater profits in the last six months ended on April 30, 1968 than ever before in their history and the minister asks us permission to beg that high finance, which grows at the expense of the little people, to condescend to make excessive profits at the expense of small farmers. Therefore, Mr. Chairman, we find that a 5 per cent interest rate would be a mitigated solution, between the excessive rate he wants

to give to chartered banks and a 3 per cent interest rate, as proposed by the Créditiste program, which the minister keeps refusing.

We feel that our mitigated amendment should be acceptable to the members of the opposition and the government.

Mr. Lambert (Bellechasse): Mr. Chairman, we are going around in a vicious circle. An attempt is being made to increase the interest rate so that money lenders can make added profits.

Farmers are asking for more reasonable prices for their produce. In those circumstances, and since the trade is unable to meet our legitimate requests, we turn to the government which seldom meets those requests.

Last year, I came with all the other farmers to ask the then Minister of Agriculture (Mr. Greene) and the government for more reasonable prices, especially in the dairy industry. We spent the day negotiating, trying to convince the authorities of the merits of our requests. We went to them at 7 o'clock that night to get the promise that the government would continue to study the matter and that, later on, a longterm legislative measure would be introduced to comply with the legitimate requests of manufacturing and fluid milk producers. We have been waiting ever since. The situation has not improved or barely. Although a higher price was guaranteed, the cost of production has increased.

Now, today, in order to be able to meet the money lenders' request for higher rates on their dollars, we should take the necessary steps to enable the borrowers to have additional income that it might be possible for them to pay the higher rate of interest and to pay back their loans.

Mr. Chairman, it may be that in some quarters the Canadian farmer is accused of always making the same requests, of always repeating the same thing. That is completely in order.

When we have children, they always ask us the same questions and always come with the same requests until such time as their requests are met and their legitimate needs are satisfied.

We will keep at it as long as the government does not take the necessary steps to assure the producers of a reasonable income as a reward for their work and their untiring efforts. The Canadian farming community has always worked hard to supply the products needed by the whole population. We must keep at it of course and repeat our demands. That is why we are here in this house.

In some circles people found it hard to understand why the rural ridings voted for the Ralliement Créditiste. Here is one of the reasons, Mr. Chairman. It is because the voice of agriculture was not sufficiently heard in our parliament, because our demands were left unanswered. That is one of the main reasons why the rural population sent to this parliament people who will make their demands heard.

I commend those who promote the interests of banks and other lending institutions. They have the right to do so. But it is our right to demand fair prices for farmers.

Some time ago, I asked the Minister of Agriculture (Mr. Olson) to tell us whether steps would be taken to increase the price of industrial milk during the next fiscal year. His answer was extremely short; it was no. Then, no increase can be expected for that production; so, having no assurance of receiving more, no more can be given. It is for that reason that the amendment moved by the member for Shefford (Mr. Rondeau) is in order.

If one is not capable to receive more, one is not capable to give more, and this is the reason why one objects, logically I think, to the increase of the interest rate when it is not known how much it will be increased.

• (5:10 p.m.)

[*English*]

Mr. Danforth: Mr. Chairman, we in the official opposition are in sympathy with the amendment proposed by the hon. member to our left. His amendment suggests that the interest rate should remain at 5 per cent. During this debate we in this party have made several attempts to get the minister to set a definite interest rate or outline the formula he intends to use for this purpose.

The members of this party are trying to look after the interests of the farmers. It has been shown quite adequately that farmers are unable to obtain money at 5 per cent. Unless the terms of the bills are changed in such a way that pressure can be brought to bear on the banks and lending institutions to make money available at 5 per cent the farmers will not get it. Under economic conditions today money is an essential requirement of farmers in order to make their farming operations successful. For this reason we in this party cannot support the amendment moved by the Ralliement Créditiste.

[*Translation*]

Mr. Fortin: Mr. Chairman, I would like to make a few remarks to the honourable Minister of Agriculture (Mr. Olson) and ask him a question.

Why does the minister want to suppress the 5 per cent interest rate that now exists? Is it because the farmers implored him to increase it so as to pay more? I answer no, and he knows why. Is it because the chartered banks and the finance companies discover that they could make profits and that, consequently, they have ordered the minister—the member of a government that is not only a majority government but also an authoritarian one—to change the existing legislation to enable them to make more profits? Let the government take its responsibilities.

I now ask my question. Does the minister intend to assume his responsibilities during the next four years in the agricultural field as far as eastern farmers are concerned?

[*English*]

Mr. Olson: Yes, Mr. Chairman.

[*Translation*]

Mr. Dumont: Mr. Chairman, I will undoubtedly be allowed to point out to the Minister of Agriculture that I cannot understand that being an expert on western farming, he has not any more consideration for eastern farmers.

We have mentioned in this corner of the house on several occasions that farming is in a terrible state of stagnation at the present time. Now, through interest rates which may reach 8½ and 9 per cent—we will never know—an attempt is being made to exploit even more a class which is already overly exploited. Now is the time to look more fully into this problem. I deeply regret that the Conservative party does not support the amendment moved by the hon. member for Shefford (Mr. Rondeau), a very timely amendment justified by the explanations he gave about the excessive profits now being made by chartered banks.

There is no question at this time, of demanding a preferential treatment but at least a fair treatment. We demand that justice be done also, with respect to agriculture in eastern Canada through helpful legislation. However, instead of helping eastern farmers, we are trying to exploit them.

I think it would be time for the hon. minister of Agriculture to have real farmers as assistants, as we find in this part of the house, so that eastern farmers would be well understood, and would be helped by understanding men, as the hon. member for Bellechasse (Mr. Lambert) made it so clear earlier.

That is why I fully support the amendment of the hon. member for Shefford, because I know that if the farmers were all here as they were a few years ago, they would demand that this measure establishing a predetermined interest rate be withdrawn, because once again there will be a shameful exploitation on the part of those who do not allow others to breathe.

We therefore feel the amendment is in order, and we ask that justice be done to eastern farmers.

[*English*]

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Rondeau) negatived: Yeas, 13; nays, 69.

Clause agreed to.

Clauses 3 and 4 agreed to.

On clause 5—

The Chairman: Shall clause 5 carry?

Mr. Gleave: No.

The Chairman: Shall clause 5 carry?

Mr. Gleave: I called out "no" on clause 5. We would prefer to have a standing vote.

The Chairman: Those in favour of clause 5 will please stand. Those opposed to clause 5 will please stand.

Clause agreed to: Yeas, 59; nays, 24.

• (5:20 p.m.)

The Chairman: I declare the clause adopted.

Clause 6 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time? By leave, now?

Some hon. Members: Agreed.

Mr. Olson moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

FARM CREDIT ACT

AMENDMENT RESPECTING ELIGIBLE CLASSES, AMOUNT OF CAPITAL, INTEREST RATES, ETC.

Hon. H. A. Olson (Minister of Agriculture) moved the second reading of Bill No. C-110, to amend the Farm Credit Act.

He said: Mr. Speaker, I have here a fairly extensive explanation in connection with this bill. I am prepared to make that explanation at this stage but would prefer that the bill be given second reading and at the committee stage I could deal with the details of the various clauses. I am sure hon. members on both sides of the house realize that there has been a fairly extensive discussion regarding the amendments contained in Bill No. C-110, to amend the Farm Credit Act.

The government is extremely anxious that we pass the bill as quickly as possible. This additional capitalization is needed so that the Farm Credit Corporation may continue its service to the farmers of Canada. In addition, immediately following the passage of Bill No. C-110 we want to bring in the next but one item on the order paper, Bill No. C-113 concerning cash advances on farm stored grain. It is essential that this measure also be passed as soon as possible.

Honourable members will realize that we have spent almost all this session, with the exception of housekeeping measures with which we have to deal such as supply and one or two other minor pieces of legislation, on agricultural bills. I am sure hon. members appreciate that the government has, therefore, given very high and in fact top priority to amending the Farm Credit legislation and the cash advances act in order that the facilities and services under these measures will be immediately available to the farmers.

So much time has gone by that we have now reached the stage where it is extremely important, in fact essential, that we get on to other pieces of legislation. Hon. members realize that the budget will be introduced in a few days and there are before parliament other bills, resolutions and so on that are equally urgent. Therefore I shall confine my remarks to these few words so we will have time today to pass Bill No. C-110 and continue the operations of the corporation without any interruption and, second, so we will have an opportunity to pass Bill No. C-113 in order that the increase in cash advances on farm stored grain will be available to the agricultural industry. We want to do this in view of the very severe weather conditions that have prevented a reasonable harvest, which has meant that there is an increased need for the facilities to be provided under the amendments to this bill.

Therefore, Mr. Speaker, while I could give an explanation of the bill at this time, in view of the fact that we have had a reasonably long debate on the general principles involved in the Farm Credit Corporation I shall resume my seat now in the hope that we may pass these two bills before ten o'clock tonight.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I appreciate the minister's great concern in having these bills pass the house in double-quick time. It is very interesting to note that he now believes there is a necessity to provide money with which to fill the coffers of the Farm Credit Corporation because its funds are rapidly dissipating. However, Mr. Speaker, you will recall that early in the spring we continually brought to the attention of the government the fact that this situation existed, but the government in its wisdom felt that the problem did not need to be dealt with at that time. They offered to deal with this legislation provided that we in the opposition would confine the debate to one day. Knowing that some major changes would be included in the bill, we could not at that time agree to that proposition.

Your Honour will also recall that through our leader we pleaded for parliament to be reconvened almost 30 days before the government in fact called parliament. We said at that time we were well aware that the farm picture was deteriorating from coast to coast. However, we found it impossible to prevail upon the government to accept our plea. Now, at this late date, the minister stands in his place and pleads with the opposition to pass this measure in double-quick time because the government in its wisdom feels it is convenient to them, not the farmers, to pass the measure now. The government will do this provided, once again, the opposition agrees to passing the legislation in double-quick time without having time to peruse the various clauses which incorporate rather drastic changes in the basic form of this legislation.

I do not propose to speak at any length at this time, but I assure the minister that we shall have quite a bit to say on the various clauses of the bill. We shall try to amend some of its provisions in order to make it what we consider to be a better bill and one

in the best interests of the farmers of this country.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, like the previous speaker I do not intend to take a great deal of the time of the house at this stage of the bill. When the measure was first discussed I pointed out the advisability of referring it to a standing committee in order that its provisions could be fully discussed and updated. I asked that this be done in order that farm organizations could come before the committee and give the government the benefit of their advice and the position they take in regard to farm credit. I pointed out that advice was available to the government from at least one consultative body for which they have paid and which was being largely disregarded.

The government says there is urgency. Undoubtedly there is urgency. There is urgency of a real nature, as described by hon. members to my left and as described in the *Globe and Mail* which says there is a dark year ahead for the wheat farmers. It says that many small operators may fail. This appeared in a publication which is not noted for its exaggeration of the circumstances. I may say that very likely it is right. This is unfortunate, as I know because I happen to farm in that area and so do some of my colleagues. Any credit legislation that we pass should take into account these circumstances. What concerns me is that I do not think we can do justice in a hurry, particularly in the farm credit legislation before us, to the circumstances which farming faces in the long haul. We can rush in and make more money available at a higher rate of interest, but this will not meet the real needs.

• (5:30 p.m.)

Despite the continuous questioning from this side of the house we have not been able to elicit from the minister any information on the exact rate of interest which farmers will be expected to pay. I can understand the minister's urgent pleas for immediate passage of this legislation and I recognize the fact that he is justified. But we who respresent the farmers are also justified in our position, and what will we say to our constituents if we agree to what the minister has put before us? We should know what the rate of interest will be, more so in the long term lending program envisaged in this bill that in the short term lending program. In the short term the outlook is bad enough. We face a dark future immediately ahead, but what circumstances will we be facing in the long term? We do not know.

The government has not been able since this session started to say confidently that it will move the production of these farms. It is hedging on this matter, and I can understand it. Are we going to have to retool some of the farms, will we have to switch production and, if we do, will credit not be necessary? The farmer will have to pay for that credit out of his production. He will have to meet the credit terms. This is why I say to the minister he should be prepared to refer this legislation to the standing committee. It is true that the farmers will have to wait. He says so, and he should know. They will have to wait until more money is made available to the Farm Credit Corporation. Once a farmer signs an agreement with the Farm Credit Corporation his waiting period will not last a few months but 20 or 30 years during which he will carry that burden. I agree with the minister it is urgent that we pass the cash advances bill. I suggest we could leapfrog ahead of the legislation before us to pass the bill on the Prairie Grain Advance Payments Act, if it is so desired.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I doubt that a more important package of legislation so far as the farmer is concerned has come before the house for some time. Not only is it important to the farmer but it is probably more important to the general economy of the country and in particular to the various manufacturers, wholesalers and retailers who supply farm products and the other necessities which a farmer requires from time to time in order to upgrade his facilities or increase production with the intention of creating an economic and viable farm unit.

I would like to commend the minister for broadening the act to provide for a father and son business relationship whereby young men may become active participants in the business of farming with their fathers with the idea of creating an economic unit.

I welcome the amendment which deals with Indian farmers situated on reserves, under which they too may have the opportunity of becoming actively engaged in farming and in the creation of viable farm units. I do hope, however, that the red tape which is likely to occur in negotiating such a measure between the department of Indian affairs and the Farm Credit Corporation will not be so

complicated as to impair the full implementation of such an important provision. In this regard I hope that the minister in charge of Indian affairs will see that this measure becomes operative and thereby place people before policy.

There is one provision, however, with which I am not in complete agreement because it violates the principle under which the Farm Credit Corporation was to operate. The fact that two individuals carrying on a single farming operation may borrow up to $100,000 as I am led to believe, would reveal that we are moving a further step toward the elimination of small farm units. What we are doing in essence is to expand successful farm units rather than to assist small economic units in becoming viable economic ventures. I do not believe this was the original intention of the act.

Perhaps it is difficult for some people to realize why credit should play such an important part in farming operations. The reason is that we now live in a cash society, and if the farmer is to be able to acquire those things which he needs, both to operate efficiently and to enjoy the benefits of the society to which he is still a major contributor, he too must acquire credit. In that sense he is like many businessmen, both in large and small ventures, who are required to finance present operations out of future profits.

Perhaps the situation becomes clearer when one compares what has been happening to farm income in the last year with what has been happening to corporation income.

According to the Canadian Statistical Review, September, 1968, farm income for 1966 stood at $2,204 million. For 1967 the figure for farm income was $1,698 million. Corporation income in 1966 was $2,949 million, while corporation income in 1967 was $3,194 million.

• (5:40 p.m.)

This is certainly not an encouraging picture for Canada's farmers and for those who believe as I do, that farming remains a basic necessity for the economic prosperity of this nation and that the continuing deterioration of farm income represents a threat to our national economy. I know that there are some economists—and they are very close to the present government—who regard farming as simply another collection of statistics. It is more than that to me; it is a way of life. There are some in government who hold the principle that the cure for the farm problem is to remove the farmers, to take them off the farm. Let me suggest, Mr. Speaker, that you do not cure rural poverty by importing it into the city; you merely create urban poverty. I was born and raised on a farm in Alberta. So far as I am concerned, that is the greatest heritage I have. Those were the happiest days of my life, the most carefree. Today I see a decrease in our rural population. I see the rundown, decayed condition of our small towns. I have talked to many young people who would like to go back to farming but because of the great amount of capital involved in starting a farm operation and because of the uncertainty that exists in this industry, these young people are working in our big cities.

The solutions to these problems are not easy, but I submit that if this government were really dedicated to preserving the traditional family farm unit and the normal life of such families, solutions could be found. Some say the farmer is not efficient or that some farmers are not efficient. According to the fifth report of the Economic Council of Canada, page 82, the average output of agricultural workers has trebled in the past 20 years. What other industry can show the same results? There are those who say that because employment in agriculture is down to less than 10 per cent of the labour force, agriculture is no longer a major factor. I submit this is a dangerous philosophy. When agriculture can bring into the economy of this nation an income in the neighbourhood of $2 billion per year, that is a major factor in our economic well-being. Agriculture is the only area in which income has not kept pace with rising productivity. The economic council, page 82 of its report, says:

> However, average farm incomes have remained significantly lower than average non-farm incomes.

The sad fact remains that the fate of this report will probably be the same as the others which preceded it. It will be shoved to one side by the government and placed on a shelf. In spite of the fact that agriculture is a major contributor to the economic welfare of this nation and to the gross national product, despite the fact that the prices farmers have to pay for the things they must buy have more than doubled while the prices of the things they sell have remained stationary, and despite constantly increasing taxes, we now have a government which comes along at a time when it cannot move wheat and tells the farmer he must accept higher interest rates for farm credit. The imposition of higher interest rates on the farmer at this time, as

these bills propose, shows a complete disregard for the efforts the farmers put forth. At the same time it indicates a complete disregard for both the economic factors and the importance of agriculture to the economy of this nation.

At a time when our wheat carryover is nearly 700 million bushels, and when there is no indication from the government of any likelihood of a sale to Russia or China, no sign of active interest by the minister and no realization by the government of the serious economic situation which will result from the failure to sell our wheat, the government comes along with this solution to soak the farmer. This is a rather easy way of dealing with the problem. Shortly we will have a budget in which, no doubt, everyone will be soaked. It will be a sort of stormy weather budget. However, the government is not waiting for that budget; it is going to soak the farmer now.

We all know that when there is a Liberal government in power the western farmers suffer, the east coast fishermen suffer and the urban poor suffer. We know also that under the Liberal government in 1957 wheat piled up so high it could have been used for the Olympic games. We are back in that situation now. I invite the Prime Minister (Mr. Trudeau) and the Minister of Industry, Trade and Commerce (Mr. Pepin) to come with me to Alberta, or anywhere in western Canada, and view the situation at first hand. The problem is urgent and something must be done to move our wheat or to see that our farmers are provided with cash in order to meet their obligations, rather than being prosecuted for delivering grain over their quota. This indicates the desperation of these farmers at this time. Let me illustrate. The Wheat Pool Budget of October 4, under the heading "Quota Situation", reports:

> The grain delivery quota situation across the prairies as at September 30, showed a large number of stations still on initial unit quotas. No stations had yet reached 2 bushels per specific acre.

Let me turn now to farm stored grain. This report reads:

> Stocks of wheat held on Alberta farms at July 31 were considerably above levels of the past three years, and the 1957-68 average.

For example, referring to wheat specifically, I point out that the average amount in farm storage between the years 1958-67 was 28.5 million bushels. This year it is 52 million bushels. Turning to barley, the average amount in farm storage during 1958-67 was 20.8 million bushels. Today it stands at 29 million bushels. We are further warned by the president of United Grain Growers that there is little likelihood of the 1968-69 crop year delivery quota exceeding five bushels per specified acre. The best wheat growers can hope to realize by next May, he said, is $10 an acre, out of which the farmer has to pay his food and clothing bills, this fall's taxes, his machinery repairs, his fuel and fertilizer bills, and in many cases his Farm Credit Corporation mortgage.

May I remind you, Mr. Speaker, that it is the duty of the government to provide the climate and the opportunity which will ensure profitable markets for the crops this country's farmers produce. In 1966 we were told by the wheat experts that the Canadian farmer could look forward with a degree of optimism to a strong market for high quality Canadian wheat. At the same time the Dominion Bureau of Statistics was forecasting wheat exports in the neighbourhood of 475 million to 550 million bushels through to 1970. We were further told that Canada's future problem would not be a lack of grain markets abroad but rather an inability to meet export demands. As a matter of fact, a well known agricultural economist said that Canada, in order to meet its share of world markets, would be required to produce some 700 million bushels in 1970, 850 million in 1975 and 1 billion by 1980.

But what has happened? The latest figures from the Dominion Bureau of Statistics indicate that our wheat exports in 1967-68 have fallen to 335 million bushels. This is almost the lowest level in the past ten years. Why has this happened? It has happened because this government lacked imagination and foresight in developing an active, aggressive wheat selling campaign. They have failed to expand the sales force to meet the challenge of available markets and have lost a good portion of our traditional markets. They have failed to face up to aggressive competition from other countries and react in a business-like manner.

United States wheat producers, through a market developing organization, are developing and servicing markets for their wheat in Asia. They have been active in Japan for ten years and have several Japanese firms working for them. The program of this organization includes training in the latest techniques of bread and pastry production, exchange visits of industry and government personnel, campaigns to improve nutritional standards

and, in general, an all-out promotional campaign designed to increase the usage of wheat products. As a result of this and other aggressive sales efforts, United States commercial wheat exports for the year 1966-67 increased by some 28 per cent over the preceding year. This took place during a period in which an overall decrease in world demand was experienced. In comparison, I am told that we have only two agencies actively engaged in soliciting markets for our wheat in Europe and Asia, they being in Tokyo and London, both covering large areas. The selling of wheat is a competitive and challenging field and to meet this challenge we must have a force which must be aggressive, flexible and thorough.

• (5:50 p.m.)

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member in his very interesting and informative speech but it seems to me that an effort should be made by him, and also by other hon. members taking part in this debate, to relate his remarks to the principle of the bill now before us, which is to amend the Farm Credit Act. I recognize that the remarks now being made by the hon. member are of importance, but I have some qualms whether they relate as closely as they ought to the principle of the bill now before us.

Mr. Mazankowski: Thank you, Mr. Speaker. When you examine the philosophy behind the Farm Credit Corporation you find that it was established under a Conservative government in 1959, not to make a profit for the government, not to provide handouts for the farmers, but as a stimulus to the economy. It is not necessary to go back to 1959. One has only to look at the minister's words in introducing this bill on September 30, when with that eloquence and feeling for which he is noted he spoke in the following words, as reported on page 599 of *Hansard*:

> The objectives of the program are to provide the capital to facilitate the organization of Canadian agriculture into viable farm units in the hands of our competent farmers so that agriculture may make the greatest possible contribution to the Canadian economy and provide farmers with equitable returns for their investment of capital, work and skills.

In those remarks the minister showed a good grasp of the philosophy behind this measure which was brought in by the Conservative government. But one must ask at this point, how can agriculture make the greatest possible contribution to the economy if the farmer once again is going to be penalized? The minister knows, as everyone in this house knows, that his complaint about interest rates and the Farm Credit Corporation being required to recoup its loss to the finance department is just a matter of bookkeeping between the departments. If the finance department does not charge a rate of interest to the Farm Credit Corporation, then the Farm Credit Corporation does not have to increase its charge to the farmer. On that basis there is a very good argument for farm credit being provided to the farmer absolutely interest free. It was never the intention of the legislation that the government should make a profit out of the farmer, and the corporation is only subject to loss when the finance department charges the going rate of interest, as it does now.

I am not going to insist at this time that loans should be made to the farmers interest free, but I am certainly suggesting that the minister carefully examine that possibility. The farmer has been paying 5 per cent, and he may be willing to continue to pay that amount on the rather flimsy argument that land prices will go up if there is no interest whatsoever. The fact of the matter is that land prices are going up anyway, and the minister is quite well aware of that too. Therefore it is a bit of a fairy tale for the minister to tell the house and the farmers that because the finance department lends money to the corporation at the going rate of interest the corporation must now turn round and lend to the farmers at an increased rate in order to show a profit, particularly when the going rate was increased in the first place directly as a result of the action of the government.

It was not the farmer who raised the interest rate on government borrowing, it was the Minister of Finance. Now the farmer is expected to pay. The farmer is paying too many people now and has very little prospect, as a result of this government's failure to sell his products, of acquiring the income to pay his present debts. Therefore this measure should not be allowed to pass at this time. If it does, one can only conclude that this government's "just society" just is not for farmers.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I shall only say a few words.

I have just heard the previous speaker oppose the increase of the interest rate to be paid by farmers who will need to borrow

money in order to buy farm machinery or to help farm units, family or social units, or others.

When it is suggested that the interest rate be fixed at 5 per cent, these same people vote against the suggestion. That means that we have some professional hypocrites in the house. They are ready to blame the government when it introduces legislation increasing the interest rate, and when the matter is put to a vote, they vote against it. It seems to me that we should set the record straight.

As for us, we continue to say to the Minister of Agriculture (Mr. Olson) that he knows the solution to the problem and that he can help the farmer. It is not by running him further into debt, that we will save agriculture.

When the hon. member for Shefford (Mr. Rondeau) suggested to the Minister of Agriculture to borrow or to allow the Minister of Finance (Mr. Benson) to borrow from the Bank of Canada the necessary funds or appropriations to help farmers, the Créditistes today are as justified as the former Social Credit member, now the Minister of Agriculture, was when he spoke likewise.

Mr. Speaker, those are the points which I wanted to draw to the minister's attention, because he knows that the draft of Bill No. C-110 leaves much to be desired. It is not the solution to the farming problems of Canada, and he should, since he is the minister, ensure the application in this house of what he has been advocating for some ten years.

[*English*]

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Béchard in the chair.

On clause 1—*Farmer.*

The Deputy Chairman: Order. House in committee of the whole on Bill No. C-110, to amend the Farm Credit Act. Shall clause 1 carry? It being six o'clock I do now leave the chair.

• (6:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Lotbinière (Mr. Fortin)—Canadian National Railways—Victoriaville, Quebec—Discontinuance of passenger service; the hon. member for Regina East (Mr. Burton)—Agriculture—deterioration of situation on the prairies; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Industry—Newfoundland—Proposed assistance for lumbering.

[Mr. Caouette.]

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper. As there are no private bills on today's order paper, the house will proceed to the consideration of public bills.

GOVERNMENT ADMINISTRATION

PROVISION FOR BETTER ACCESS TO PUBLIC DOCUMENTS AND INFORMATION

Mr. Barry Mather (Surrey) moved the second reading of Bill No. C-6, to better assure the public's rights to freedom of access to public documents and information about government administration (administrative disclosure).

He said: Mr. Speaker, after I introduced this bill into the house in the last parliament it was a matter of some regret to me that it never got high enough on the list of private members' bills to be given consideration on second reading. However, I feel it may be even more timely for us to be concerned now with the general ideas and principles which are set forth in this measure. On one hand we have heard statements from a high official source in the government to the effect that it is desirable for the public to become more and more involved in public affairs. Since then we have heard statements from representatives of the press to the effect that they find more and more difficulty in obtaining access to public information on behalf of the public. So it may be that tonight is a good time to take a good look at this proposal.

As the bill states, this would be an act to better assure the public's rights to freedom of access to public documents and information about government administration of public business. The bill is a short one, containing only four clauses. But it does embody the main elements of the legislation which has for so long been in effect in Sweden in this area. The first clause states:

> Every administrative or ministerial commission, power, and authority shall make its records and information concerning its doings available to any person at his request in reasonable manner and time.

The second clause provides the basic exceptions to the rule by saying that clause 1 does not apply to records and information affecting national security, or to matters which are exempted by statute from disclosure, or to trade secrets, or to matters which concern private interest to the degree that the right to personal privacy excludes the public interest. Clause 3 contains an important principle that the courts should determine whether any particular record or information is to be made public on application for the same.

I referred a few moments ago to what has long been the rule in Sweden, a country with a long record of freedom of access by the public to public business. In that country the kind of thing we are considering here has been provided for by legislation for a great many years. In brief, whereas in this country we follow the general rule that whatever is not specifically said to be public is secret, the Swedes do exactly the opposite and make it work. They say that whatever is not specifically stated to be secret is public. The courts are there to see that this idea is carried out in practice, and they take this obligation most seriously in accordance with the legislation.

In addition to making documents and records public, the Swedes publish the great bulk of the documents and submissions received by their departments and agencies. I am informed that every day in the great buildings of Stockholm the documents or submissions received by the administration are laid out for inspection. From these a wave of information goes out across the country. Thus the Swedish public is kept closely in touch with the way in which the administration is handling public business and the nature of the submissions to the administration which the public is making.

In bringing forward this bill I have been inspired and encouraged by the work and studies of a notable Canadian, Professor Donald Rowat of Carleton University, who has for years conducted a one-man campaign to make more documents available to the Canadian people to indicate how their affairs are being handled. Dr. Rowat is the professor who has done so much to help popularize in this country the idea of establishing an ombudsman service. Both he and I share the idea that there should be some intermediate steps taken toward what would ultimately be accomplished. These steps are, first, that the government should be far less hush, hush about its security and secrecy classification procedures. It should make its procedures in this field more fully known, perhaps in the form of a white paper, or possibly a task force could be established to look into this matter. Second, immediate steps should be taken to make documents more readily available to scholars. Until now the government has followed the practice of departmental discretion, with trusted favourites and no rules except meticulous adherence to the rules of other countries.

I recommend that there should be a much shorter time before classified documents are released, say 12 years instead of 35 years or 48 years. A very few documents might be held for 48 years in exceptional cases.

My third point is that there should be a limit on the government's unfettered right to withhold documents from the courts. A decision in this area should not be left to the sole discretion of a minister of the crown. It should be left to a judge.

I conclude with a quotation from what I consider to be a good source in support of my bill. It is from an editorial which appeared in the Toronto *Globe and Mail*. I have condensed it but it is all favourable to the introduction and passage of this measure. This is what it says:

> A private bill has been presented to the House of Commons which could do much to open closed doors and keep the public informed about what is, after all, its own business.
>
> It is proposed that the Exchequer Court be empowered to force the federal government to disclose any unclassified records and information to interested persons. The bill would require that "every administrative or ministerial commission, power and authority shall make its records and information available to any person at his request in reasonable manner and time".

• (6:10 p.m.)

> Exceptions would be made for matters of national security—

As I have indicated, as well as private matters.

> It could be assumed that the court would exercise its discretion to prevent witch hunts, and that in general the effect of the bill would be to ensure the public's access to information which properly belongs to it, as well as the access of interested persons to historical material that ought to be in the public domain but has been withheld.
>
> It is entirely probable that the court would not often be called upon to act, for the very existence of such legislation would dispose government officials and bureaucrats to overcome their habits of secrecy, since they would know that if they did not yield willingly they could be compelled. It would also tend to restrain them from arbitrary acts which they would not care to have become the subject of public discussion. There is nothing like the spotlight of publicity to improve a man's democratic manners.

—the bill would enact "the basic parliamentary rule that public affairs must be conducted publicly." The government should put its blessing on the bill and ensure its passage.

As a member of this assembly who has been here long enough to know that 99% of the private members' bills presented over the last seven to ten years have been talked out without any decision having been made on them, I regret this procedure, as do all hon. members. I urge upon the government the idea that private members' bills should be brought to some decision, either accepted or rejected or, what I think would be better, referred to a committee for further study. I think that the idea in this bill should be sent to the committee that has already been established to deal with the procedures of this house. I hope hon. members will see to it that this proposal does not die and that at least it is referred to a committee for further consideration.

Mr. McCleave: May I ask the hon. member a question?

Mr. Mather: Certainly.

Mr. McCleave: Does clause 1 include such emanations from parliament as the C.B.C. and the C.N.R., and in another category does it include such emanations from parliament as the National Energy Board?

Mr. Mather: The answer is yes, Mr. Speaker. The bill says that information shall be made public except for those parts of public information which are classified under national defence or where the private concern takes precedence over the public concern. In the case of the agencies which the hon. member mentioned I would certainly hope that they would be included in the over-all effect of the bill.

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the object of this bill is certainly worthwhile and I congratulate the hon. member for Surrey (Mr. Mather) for giving us the opportunity of discussing the problem.

The matter is most important at the present time. It has been discussed in the public forum, particularly during the last election. I trust that perhaps in the near future the government can improve the present system; for there certainly is room for improvement in our present system of keeping the public informed on the various operations in the departments of the government as well as throughout its corporations and agencies.

Besides, I believe the Glassco commission had pointed out the seriousness of the problem, which was also recognized by both the former and the present governments.

The former prime minister, the right honourable Lester B. Pearson, had ordered that an inquiry be made into the matter. This was started but, unfortunately the person in charge of the committee was the victim of a fatal accident before having had time to present preliminary reports. The present Prime Minister (Mr. Trudeau), also aware of the importance of improving communications between the governing and governed, appointed, shortly after he was elected, a commission or a task force composed of three competent persons who were joined by others familiar with the matter under study. This group is to report within a few months after having looked into the work and the structure of the government information services, both in Canada and abroad.

In my opinion, our government is aware that the public must be better informed beforehand, at least in general, about the government's programs and policies. The public must be able also to express his ideas, opinions to the right people before the policy is elaborated and put into force.

An active modern democracy certainly requires the best communications possible between the governments and the voters while taking into account, of course, as mentioned by the hon. member, several exceptions, in particular with regard to security, efficiency, etc. because it will always be difficult to draw a clear dividing line between a government's need to hold discussions and deliberations in a confidential manner and, on the other hand, the public's need for information.

This bill entitled: An act to better assure the public's rights to freedom of access to public documents and information about government administration is an effort to clarify, to ask or even to codify, as it were, the conditions regulating the production of documents. In my opinion, however, it is far from being precise or clear enough and it is not precise enough to be applicable.

Indeed, according to section 1 of Bill No. C-6, its scope seems very broad, for it stipulates, and I quote:

1. Every administrative or ministerial commission, power, and authority shall make its records and information concerning its doings available to any person at his request in reasonable manner and time.

This is indeed a very broad scope especially when referring to the activity of a commission or some administrative or departmental authority. That would appear to include departments, commissions, agencies or corporations of federal, provincial or even municipal governments. It could also include authorities of professional organizations, trade union or others. For that particular reason, it appears that we would not have constitutional or legislative power to pass such a legislation, at least as soon as this bill would propose.

I refer to the text of the bill:

—records and information concerning its doings—

—and I insist on "doings" of administrative and or ministerial authorities. Such a vocabulary, in my opinion, can have several different interpretations.

Considering that this clause deals with organizations, specific bodies, one may venture to ask if there are activities or documents of the organization itself as opposed to those of the officials or the staff? Or still, a quite broad interpretation can be given and it is possible to conclude that it must include any document available to the organization or to the executive body concerned.

Allow me also to point out, by the way, that this clause provides that the information or the records must be made and I quote:

—available to any person at his request in a reasonable manner and time.

Now, I suppose that the individual would not even show a certain interest in obtaining the information and I suppose that those words were wilfully used by the hon. member, because public right—the public at large I suppose—to obtain publication of the required information is referred to in the bill and the interest in such a case would not be a criteria.

And evidently, all provisions are subject to the reservations mentioned in clause 2 of the bill. I feel that subclauses (a) and (b) of clause 2 are clear enough and do not lend to much discussion.

Mr. Speaker: Order. I must call the parliamentary secretary to order and point out to him that when on the second reading of a bill, it is not usually allowed to refer to specific provisions of the bill.

• (6:20 p.m.)

Mr. Forest: Thank you, Mr. Speaker. I will keep to more general considerations. I submit that when the bill speaks of:

—trade secrets and commercial or financial matters of a privileged or confidential nature, obtained from private persons—

—it would be rather difficult to determine the extent of the privileged or confidential nature of the secrets or matters concerned. It would not be easy either to determine to what extent the public interest must exceed the private interest of the individuals who could finally be affected in various ways if certain information or actions were made public.

And, as mentioned by the hon. member, it is possible of course to answer that the court—that is the exchequer court in this case—would decide whether the requested information should be published. But one can wonder on what basis and in the light of what information the court could render judgment when it would not have at its disposal all the information needed to render a decision, especially in a private matter.

The present bill does not exclude the production before the court of files or documents affecting national security because it seems that the bill does not provide for any exception. It is easy of course to realize all the danger that such a procedure would entail. It would be a new and rather unusual procedure, Mr. Speaker, when without any special reason or cause one could simply refer, in a way which is not clearly stated, to the exchequer court in this case, any refusal by any commission or authority to hand over documents or divulge information to any person requesting it.

If Bill No. C-6 were passed in its present form, a special administrative court would have to be established, to consider the countless requests submitted and to decide whether or not the documents requested should be made public.

In the context of administrative law, judicial institutions necessarily play an incidental and subordinate role. The administrative system must be more than a compilation of judicial decisions, and evidently, government authorities' role is to rule and administer. If every decision made by the administration has to be reviewed and considered, without

any limitation, by any court, whatever its importance or competence, it is clear to me that the administrative process could then be crippled.

Finally, this bill does not give enough importance to a generally accepted principle according to which the efficient operation of a public service necessitates complete freedom of expression and also of communication between the members of the administration at the various levels, and particularly from lower to senior officials. In my opinion, the contrary could reduce the efficiency of our whole administrative system as we know it.

It is up to the executive power, which has all the relevant data, to decide if national interest or public safety require that certain documents or acts be not made public.

Moreover, I believe that it would be neither legitimate, practical, nor even rational to transfer this decision, in all cases, to any court whatsoever, in spite of the great respect I feel for our courts of law.

It is only logical to believe that a person, a citizen and a taxpayer, can have the right of freedom of access to documents of particular concern to him, but between that and disclosing without discretion to him some information concerning other people, the disclosure of which could be prejudiciable to the latter, I believe there is a rule of caution that ought to be respected while considering this bill.

This bill would give the public more extensive rights than those exercised by parliament itself, according to a long standing custom and tradition.

Mr. Speaker, for all these various reasons and in spite of the commendable purpose pursued by the hon. member, I believe it would be very dangerous to pass this bill, especially in its present form I hope the hon. member may be able during the next session, to introduce another bill, that will be more appropriate, and also that the commission appointed by the government, by the right non. Prime Minister, will present their report; the hon. members will then be more able to come to a conclusion on that important question of the relations and communications that should exist between the government and the general public.

[*English*]

Mr. John Gilbert (Broadview): Mr. Speaker, would the hon. member permit a question? He has indicated agreement in principle with regard to the bill but has criticized the structure and procedure outlined in it. I am wondering whether he would agree to have the bill referred to the appropriate committee for study concerning the structure and procedure.

[*Translation*]

Mr. Forest: I do not think that it is up to me to decide. Furthermore, I think that we should wait, as I have already mentioned in closing my remarks for the report which should be submitted, as was mentioned by the right hon. Prime Minister, within a few months, by experts in the field, who will be able to make relevant suggestions as to how to improve communications and information which must exist between the government and the public in general.

[*English*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, it is a pleasure to participate in this debate, even if only briefly, to support the proposal of the hon. member for Surrey (Mr. Mather). Like myself he has a journalistic background. I suspect he has spent many difficult hours beating his head against massive stone walls, erected by establishments in this country, in an effort to ascertain what in fact is going on. It is a very commendable effort on his part to attempt to include the natural journalistic capacity for trying to find out what is going on in a measure such as this. Furthermore, I was intrigued when I saw in my hon. friend's explanatory note that the bill enacts Bentham's basic parliamentary rule that public affairs must be conducted publicly. For the enlightenment of my hon. friends opposite the Bentham referred to is Jeremy Bentham who was one of the great philosophers of liberalism. Upon his death he made the rather curious provision that his body should be preserved, stuffed and put on public display for a good number of years. I much prefer the philosophy of the stuffed Bentham and its relation to liberalism to that of the speech we have just heard in this chamber.

• (6:30 p.m.)

I think the rule that public affairs must be conducted publicly is a fair and just one, and it should find its adherents in those who support the so-called just society. I noticed that the house leader was in for a while during at least the opening of the debate. During these curious times he does not have to be with us at all times, but at least he was here to listen to the hon. member for Surrey (Mr. Mather) present what I thought was a fair and eloquent plea on behalf of his bill. I would ask the hon. member for Surrey whether the provisions of this bill would apply also to

emanations from crown corporations such as the C.B.C., the C.N.R. and other bodies of perhaps lesser importance, such as the National Energy Board. The hon. member indicates by a nod of his head that they do. I am not sure that the language of the bill covers all the situations I have envisaged. None the less, this fact does not prevent me from supporting the measure in principle.

The Prime Minister (Mr. Trudeau) made a point, which I believe appealed to many Canadians, during the time which led up to that melancholy decision of late June. He made the point, and I think very effectively, that there should be more participation by the citizens of Canada with those who govern the affairs of Canada. I think a measure such as the one before us is designed to bring about exactly that type of liaison.

Without a measure such as this people tend to be reinforced in their paranoia about the conduct of governments in this country. They think government is run by big business and those who have access to certain ministerial ears. They begin to think that government is run for the advantage of the elite in Canada, rather than in the interests of all Canadians. Of course this is not correct in every aspect. The government and this parliament are quite capable of adopting altruistic measures of great benefit to the citizens of Canada. However, any time there is concealment of even one bit of information from the ordinary taxpayer, he does not draw the noble inference that it is not being done to protect somebody who has an interest about which he does not want his competitors to know. This is not the sort of inference drawn by the ordinary citizen. It is, rather, that if you close the door on information and shove it under the rug, as it were, it is because of some evil or malevolent purpose, and the information must be covered up.

The hon. member has made a point in moving this bill, and I am sorry it has not received the support of the spokesman from the government side. The hon. member for Surrey suggests that we should have some measure such as this in Canada, and he also made the point that if, because of its language, this bill does not exactly achieve its purpose, and requires some tempering or changing, we should get to work on it in some way instead of just waiting. How long are we supposed to wait—five years, ten years, 20 years, a hundred years? The bill does refer to ministerial powers and authority. These have been around for a long time and they will be with us for even longer. Why should we be expected to wait? If we feel that the principle is good, and I certainly do, let us get on with this and make the necessary changes.

We launched, or hoped we launched a committee of this house into action, with all due solemnity, at the very start of this parliament, almost as though this were the most important single thing we could spend our time on during this new parliament. The committee is in existence, and a measure such as the one proposed by the hon. member for Surrey could be placed before it. It could deal with that measure, change its language if necessary, and reinforce it. If we want more participation on the part of the ordinary citizen in governing the affairs of this country, then I suggest a measure of this magnitude is in order.

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, in rising to discuss the bill before the house I feel I should urge that there is a certain philosophy in this bill which, if carried to its ultimate, would be a perfect example of free information. The Prime Minister in his wisdom has sent out a task force to cover the whole of Canada and ascertain how the public can be better informed through the channeling of government information. It has been asked to suggest changes in the outmoded methods of providing information, thus making it easier for people to receive information. They will receive it simply by asking for it from information officers within the various departments. Surely this is the sound and wise course to follow.

The point in favour of free access to government documents seems to be based on the notion that large scale government secrecy leads to distrust and fear, and is incompatible with democracy. The point has been made that access to administrative information is essential in the development and continuation of democracy. The Swedish system has been pointed out as the model that we should adopt. One must consider the Swedish system, however, in the context of a central form of government in Europe, involving small countries where distances are not great.

I suggest that the Exchequer Court would have great difficulty in holding hearings throughout this nation to hear all the requests that might be made. I think the other course, that of the government going to the people and offering to provide channels of communication in the various ridings of this country,

is far superior to the one suggested in the bill.

In arguing against the bill I suggest that if official files are opened to the public scrutiny too much administrative caution will result, which will seriously inhibit the effective functioning of civil servants. No one likes to work with someone leaning over his shoulder reading what he is writing. There is such a thing as freedom of thought, and the freedom to exchange ideas. We all know that civil servants, like businessmen and other responsible persons, try to plan schemes for the future and work out employment schedules; but they do not want to broadcast these ideas to the world. Government papers that are used in preparing legislation should not be the object of public scrutiny. If they are, I suggest you will have a frightened civil service and one that feels there is eavesdropping or spying going on right under their noses. Today we are concerned about eavesdropping and listening devices. I suggest that this type of legislation, if carried to the extreme, will inhibit the civil service and reduce its freedom to work in peace. It will also reduce freedom of thought and freedom of exchange of ideas in the civil service.

• (6:40 p.m.)

The rule of law is, in effect, that all persons are equal in the eyes of the law. Our office files are not scrutinized. Why should the files of the civil service be scrutinized? They are working on plans that might well get into the news media in the wrong context. Should the first thoughts about government legislation be bandied about on television, for example, prior to their being carefully considered by people who have been trained for many years to consider them? I suggest that would be a foolish course to adopt.

There are practical difficulties and dangers involved in a scheme that would provide wide-open access to files. I submit that it is difficult to distinguish between a witch-hunt in connection with a civil servant and a legitimate desire to obtain information. In addition, there would be administrative problems of fantastic complexity if this measure were put into effect. You would have to screen every document. You would have to say, "This is secret because it comes under the clause in the bill dealing with matters of national security." Then you would come to another paragraph and ask yourself, "Is this a matter of personal privacy, or one of a privileged or confidential nature?" The official himself would have difficulty deciding that question, and you would toss into a big arena very large distracting force at the civil service.

For these reasons, Mr. Speaker, I am solidly against this bill. We have heard of memoranda headed, "Destroy before reading." This practice would increase. You would have a furtive, secretive burning of letters. You would have inhibitions creeping into the civil service, and I suggest it is not desirable that this take place. We have been elected as members of parliament. Surely this house is the place to commence the seeking of access to documents. Surely, Mr. Speaker, if a member of parliament cannot get the information, there is something wrong with our society, with the way in which we are operating and with parliament itself as an institution. We are the ones to get the information. If constituents want information, why should they not get their member of parliament to obtain it?

In the short time I have been here I have found the research facilities of the libraries and the information officers of the departments extremely helpful. Perhaps they cannot give all the information one wants, but they seem to be acting in a spirit of constructive aid. They seem to want to communicate. The ministers seem to want to help, as do the opposition members. I found that with matters dealing with, say, the maritimes, hon. members have often been helpful in providing information. There is a spirit of real progress in this field. I submit it could emanate from this chamber right into the offices of ministers. This, in my view, is the best way to tackle this extremely interesting problem, one which has taxed many people for many years.

With regard to the reference to Mr. Bentham, I suggest that Mr. Bentham did not deal in an age of computerized telegrams and orders in council. He would have hesitated, in fact he would have refused to go along with a bill as sweeping as this one. If this measure were passed, it would be most impractical to make the Exchequer Court the forum for deciding these issues. I submit that any county court judge, supreme court judge or even our magistrates might well have sufficient training and experience to make the required rulings.

There are only 15 or 20 Exchequer Court judges, and I understand they are very busy with cases of various types. Unless we are prepared to pay an enormous sum of money to increase the number of judges handling litigation, we should not take the step suggested in this bill. We have the facilities in

our own House of Commons to provide rules which will make information readily available. I submit that prodding by hon. members, such as the one who proposed this bill, would bring about an improvement in the practice in this house, and that before long we would have rules that are much more in keeping with twentieth century ideals and procedures.

These ideals and practices can be introduced in many different ways; but I submit the one suggested by the hon. member for Surrey is a very cumbersome and expensive way of attempting to solve the problem. It is expensive because it requires more judges in this huge country, stretching 3,000 miles from coast to coast and with 20 million people. Will they write in and make their requests? How will such a program be administered? I do not see anything in the bill which indicates a clear cut system for carrying out the practical suggestions contained in clauses 1, 2 and 3.

We have all had frustrations in attempting to get information at some stage, and I would be less than frank if I said there is no problem in this regard. I recognize the problem; but I believe most sincerely that steps have already been taken toward reaching our goal in this respect. This has been done by sending out the task force which the Prime Minister sent out recently. If that task force can come back with concrete, solid ideas whereby everyone will know whom to contact and in what department, they will make great strides toward reform in this area.

Therefore, sir, I conclude by commending the hon. member for—

Some hon. Members: Oh, oh.

Mr. Gibson: I mean that seriously, sir. I conclude by commending the hon. member for a forward looking idea, but I submit that the method proposed is not the best.

Mr. Gilbert: Mr. Speaker, I would like to ask the hon. member a question. In view of the remarks in his maiden speech last week, that private members public bills were ridiculous, a waste of time and should be done away with, I am wondering why he is participating in this debate today—because this is the second time within a week.

Mr. Gibson: Mr. Speaker, this is the only forum I have. As a young member, I hesitate to try to speak on important legislation such as the agrarian acts, the farm acts. I know very little about these subjects, and I do not mind admitting it. I have been advised by other hon. members, with more experience than I have that the private members hour is the best place to express views, and to attempt to gain experience in thinking out and planning so as to conform with the rules of debate. That is the main reason I have taken part in the debate, although I am extremely interested in this topic.

The suggestion I made last week was not to abolish private members bills, but rather that there be a more effective way of using this hour for the discussion of controversial topics, having six speeches of ten minutes each. I think we would all find it more interesting and exciting; the press would enjoy it, and the public would find it more provocative.

Some hon. Members: Question.

• (6:50 p.m.)

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to take part in this debate because the bill proposes something new, a new way from the government to approach the public.

First of all, I must say that I do not fully agree with those who believe that the politisation of Canadians will improve relations between the government and the public, or encourage the public to approach the government and to take an interest in some department or other.

It goes without saying that people would of course derive some benefit from such an act because, first of all, the information would be free. What I mean is that anyone who wanted information, for the specific purpose of criticizing certain departments or, as I said, of pursuing the politisation of the people would be free to do so, and quite easily at that. For instance, anyone who wanted to tear down certain government programs for personal reasons could obtain information on the topics discussed during their preparation and then use this information to fight against the program, and in some cases, to compete against it.

Now, as I was saying, I do not fully agree that it will necessarily help the people, but I am concerned about the fact that it might give rise to dissension amongst Canadians and give rise to doubts. There are, no doubt, people who would wonder, when a department is in process of studying the pros and cons of some program or policy or other, whether the public should read about it.

On the other hand, those who take part in the discussion who merely want to strengthen their arguments in favour of or against a program, or who want to look at both sides of the question, could leave with ideas that have no bearing on the situation.

Furthermore, I do not agree with the principle of the bill. Should the bill be adopted, it would create a lot of administrative problems. First of all, it is true that section 2 of the bill stipulates that the law would not apply to documents on national security, or to documents benefitting from legal exemption, or again to documents of a confidential nature on business companies. It is easy to enumerate the type of documents. There should be someone in the department, some high official, some very important person, who would be in a position to establish what can be disclosed to the public and what cannot.

I think that, from an administrative point of view, it would involve extraordinary intricacies. For example, how can a civil servant in a department decide whether a discussion or a correspondence exchanged between a minister, a deputy minister or a civil servant of another country or province, can be made public or not? Therefore, the officials of a department would simply have to decide whether those matters should be revealed or not. As far as we are concerned, what will come out of it? It will not bring about much result, because certain information is already provided by the government.

Then, I am wondering how the provisions of the bill can be helpful. Obviously, to promote this administrative measure, a new kind of publicity is needed. A new reclassification of all departments would probably be necessary to bring together the factors that affect national security. Also, when we speak of business corporations, one must be very careful. There again a whole set of files would be needed for the various business corporations or various contracts or various communications.

I feel that all this would require tremendous expenditures and there again, I am wondering to what extent these espenditures are warranted. It is well for the government to spend money on worthwhile causes, but, otherwise I do not think it is justifiable.

As I said earlier, this would create confusion in the minds of people. The problem as to morale or frame of mind may exist in a department. For instance, if the Department of Area Development, that is to be established at an early date, was considering a plan concerning my province, New Brunswick, at least certain areas of it, we can be sure such an idea or philosophy as regards area development could be a good one, but there must be also some disadvantages.

Now let us suppose the problem would concern a civil service employee, or a person from outside is given the responsibility of preparing a report. He goes to a certain area and makes a report. He would probably bring arguments that may not be agreeable to everybody but they should nevertheless be taken into account so as to come to something worthwhile.

Mr. Speaker, can we imagine a person bringing arguments against area development, against the development of a given area? Such a person might hang for that, there is no question about it. I repeat once more that the arguments put forward by that person may be good, but advantages or disadvantages must necessarily be considered.

[*English*]

Mr. Deputy Speaker: Order, please. It being seven o'clock, the time allowed for private members hour has expired. If the house agrees we will resume the business interrupted at six o'clock.

FARM CREDIT ACT

AMENDMENT RESPECTING ELIGIBLE CLAUSES, AMOUNT OF CAPITAL, INTEREST RATES, ETC.

The house resumed consideration in committee of Bill No. C-110 to amend the Farm Credit Act—Mr. Olson—Mr. Faulkner in the chair.

The Chairman: It being seven o'clock, I do now leave the chair, to resume at eight o'clock.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Danforth: Before we pass clause 1, Mr. Chairman, I should like, on behalf of this party, to make a few comments on the basic principles of this bill that were not covered at the resolution stage. One of the facts that is apparent in the bill is that the government has two prime purposes in mind. Number one is to broaden the base and to enlarge that part of the agricultural segment that would be eligible to receive these loans. Number two is an attempt to change the prevailing rate of interest that we have been experiencing as a

farm community since the inception of this measure. I think very few persons will take objection to the active consideration by the government to enlarging the company of individuals who are eligible for these loans.

I wonder, however, if the government has considered that to the very degree by which they enlarge the scope of this measure they will be subjecting the farm community, in my considered opinion, to a great deal more vertical integration. In listening to the minister and in reading the provisions of the bill, it is quite apparent that the previous definition of farmer, as one who is actively engaged in farming, has been changed to such a degree that almost anyone in the business world today could become eligible to obtain a loan. A person could become eligible by obtaining shares in a co-operative farm. The bill itself refers to a person who either has the intention of farming or the basic ability to farm.

When these pieces of legislation were first introduced the prime purpose was to enable young farmers and established farmers to either enlarge their holdings or to start farming in an economic manner. The fact that these measures were used to such an extent, and such large sums of money were borrowed by those engaged in agriculture, is an indication of the success of this type of legislation. I am wondering, sir, in the light of the economic chaos through which agriculture is struggling today, if such legislation as we have before us will not enable large business interests with large sums of money at their disposal, whether they be from this country or from other countries, to move into the farm industry?

Such business interests could take up large tracts of our land, either through corporate farms or by vertical integration. In this fashion, we would see a good deal of our farm land pass out of the control of the younger farmers of this nation, and instead of having tracts of land in Canada administered by farmers and farm families, I venture to say that in an extreme case we would see large tracts of farm land administered by boards of directors, such as we have in corporations.

Having said this, Mr. Chairman, I want to say that many of us on this side of the house believe that there should not be a change in the method by which interest is determined or charged in respect of those who wish to borrow money under this type of legislation. This is not the same type of legislation as we were dealing with in Bill No. C-111. This measure relates to long term borrowing, 10 years, 15 years or up to 30 years. In the course of that time, interest rates are going to vary up and down the scale. It has been our experience during the years this measure has been in force that you see at one time very low interest rates, and at another, extremely high interest rates. With interest rates on the way down, as they are at the moment, we feel that the 5 per cent rate prescribed in the former legislation provides ample recompense for those who wish to lend money in this fashion.

We feel that this money is being provided by the government, and not through a banking institution, so that places this type of legislation in a category by itself. We feel that although the government did have to subsidize the interest rate under which money was obtained to lend to farmers, an examination of interest rates throughout the years would reveal that in a period of 20 to 25 years the cost of these loans to the government would be almost negligible. On the other hand, Mr. Chairman, when those who wish to obtain money through this legislation are able to do so at a prescribed interest rate, one which they feel would enable them to borrow money in the large amounts necessary to work into the farming industry, farmers would be more attracted to it and would borrow enough to obtain economic units. This might not be the case if the interest rate were set too high. As I say, this is the second point in the bill that is causing some concern.

The third point that is causing great concern is the fact that the categories of people who may borrow money are defined and limited. We have the age limit of 21 to 45 prescribed and the different rates at which money may be borrowed either by individual farmers or collectively.

• (8:10 p.m.)

I have been wondering, Mr. Chairman, whether consideration should be given to allowing individual farmers to borrow up to the gross amount that the bill provides can be borrowed by three farmers collectively. I make this suggestion because a tremendous amount of money is needed today in order to bring what is and has been a viable economic farm unit into the position of remaining such in the future.

I use as an example, Mr. Chairman, a dairy farm that today has about 60 to 100 cows, run by a single farmer who wishes to become more competitive and to change over to automatic feeding, perhaps to silage instead of hay, to using the new type of milking stalls and equipment and installing concrete feed

lots, with all that that entails. Such a change-over could very cost $100,000 to $125,000, as it does in some instances.

It would be unfortunate indeed if an endeavour of this size could not qualify under the act. As I read the act, the very most that can be borrowed by an individual farmer under optimum circumstances is $55,000; unless the circumstances are of the very best the maximum is $40,000. It is true that if the farmer has a son over 21 years of age this amount may be doubled. However, there are many farmers whose sons are not 21 years of age, who have no son or son-in-law, or whose sons are engaged upon some other endeavour. Are we to lose this type of farm enterprise that has been so successful over the years, which has been built up over generations, because under this bill they will no longer be eligible for this type of loan, or will some attempt be made to make it possible for these farmers to borrow such sums of money at a reasonable rate of interest?

All of these questions, Mr. Chairman, we should like the minister to deal with. From his knowledge and advice he can give us the very information we are seeking. There is no doubt from the way the clauses have been drafted that this bill has received very serious consideration and has been subjected to very intimate and searching examination. However, we feel that before we can let the bill pass tonight we should be given a lot more information than that provided in the terms of the bill, and in the introductory remarks of the minister. As the debate develops we may offer some amendments for the consideration of the government, or we may find that some clauses, even as amended, are unacceptable to us at this time.

Mr. Burton: Mr. Chairman, I have to agree with the hon. member who has just taken his seat, that there are some points of concern in this bill which require further explanation and consideration. Before commencing I might say that I found rather interesting this afternoon the minister's appeal to the house to try to speed this legislation through. It would appear that the time allotted to him by the government has pretty well run out, and at the same time he has not been able to pilot this bill through the house.

There have been some suggestions on his part and on the part of other hon. members that this, Mr. Chairman, is due to the somewhat lengthy debate that has been conducted by members of the opposition who wanted to take up a number of points. This is true; we have been engaged in fairly lengthy debate on some of the questions involved in the farm credit legislation. I suggest that the implications of the changes in the legislation we are discussing mean millions of dollars for farmers all across Canada, and they are changes of the sort that we cannot let go by lightly.

Therefore, Mr. Chairman, I suggest to the minister that had he gone along with some of the changes we proposed and been somewhat more responsive to our suggestions, perhaps this legislation could have been put through in a shorter time. I hope that he will be more responsive to some of the changes that we may propose in dealing with the amendments to the Farm Credit Act. I say that because I am sure he will agree that there are some differences in the situation we are considering under this bill, as compared to the bill we completed this afternoon, the amendments to the Farm Improvement Loans Act.

I also have to agree with the speaker who has just taken his seat, that there are some valid concerns about the amount of capital that is required at the present time to carry on an economic farm operation. Capital requirements for farming operations have escalated at a very rapid rate for more than one reason, and I am sure that the minister is aware of this. At the same time I would like to offer a word of caution. It seems to me that the primary concern of the government in terms of public policy is to bring as many agricultural units as possible up to a minimum standard of economic efficiency and satisfactory operation; that this should be the primary objective in allocating capital to farmers.

Mr. Chairman, there is one aspect of clause 1 which bothers me, and this is the change in definition of what is a farmer. The expression "farmer" refers, of course, to those people who are eligible to receive loans from the Farm Credit Corporation. I was particularly concerned with the change in the definition of the term "family farming corporation", which is defined by regulation, to the term "farming corporation". It seems to me, Mr. Chairman, that the implications of this change require examination.

I note that in the regulations made pursuant to the Farm Credit Act a family farming corporation is defined as:

> —a corporation the principal object of which is the carrying on of an enterprise devoted to the production of agricultural products, and at least 95 per cent of the shares of which are owned by persons that are related to one another either through blood relationship, marriage or adoption, with not less than 51 per cent of the shares owned by the actual operator or operators of the farm.

I concede, Mr. Chairman, that there could be some deficiency, in terms of this regulation and its application, in the use of the term "family farming corporation" with emphasis on the word "family". Some people carrying on joint farming operations are not related in the way prescribed in the regulations but certainly should be entitled to as good consideration as those who are related in some way stipulated in the regulations.

However, Mr. Chairman, when the term is contracted simply to "farming corporation", it seems to me that the danger with which we have to be concerned is the possibility of operations under the Farm Credit Act being extended to large industrial ventures. This may not be the objective at the present time, and I see the minister shaking his head in dissent. I am quite prepared to accept his word that this is not what he intends.

• (8:20 p.m.)

I suggest, however, that this might open the door to large industrial operators who would crowd out a good many of the farm operators, even though they might be carrying on an efficient type of business. One example which occurs to me is that of the National Grain Company which is presently undertaking a large venture in hog raising. I recognize it is not the intention of the Farm Credit Corporation or of the government to allow such an organization to qualify for public assistance at the present time, but it seems to me that as legislators we should be concerned that we do not open the door to such a possibility at some time in the future.

Mr. Olson: In reply to the hon. member for Kent-Essex may I suggest to him that by changing the provision under consideration in clause 1 of this bill we are putting farmers who are owner-operators in a far stronger position to compete with the integrated operators, where producers and financial interests are involved. I say with respect that this will hamper rather than help these virtually integrated companies, because it will give actual owner-operators of farm units a better opportunity to join together in such a way as to compete with the integrated operations.

The act has been amended by changing the word "person" to "individual" so as to provide a distinction between individuals and corporations, the latter being, in the legal sense, persons. The change provides a way of dealing with the problem the hon. member raised.

Another point raised both by the hon. member for Kent-Essex and by the hon. member for Regina East concerns the replacement of the term "family farm corporation" by "farming corporation", to permit loans to farming corporations regardless of whether families are related by blood or adoption. This particular clause caused some concern to those who fear the expansion of corporate farming. It is not the intention, however, that this would allow persons who are not actual farm operators to become primary beneficiaries of loans from the corporation. I am sure what has been done here will satisfy both the hon. member for Regina East and the hon. member for Kent-Essex. We have sought to make certain that for individuals to benefit, even though they may be in a corporation or a co-operative, must in fact be owners principally engaged in the business of farming.

Mr. Danforth: Suppose one or more individuals concerned with a corporate farm or a co-operative have a large investment in such an undertaking. Would this make the entire co-operative ineligible for loans under this legislation?

Mr. Olson: Yes, if there were an investment at a level so high as to remove control from the actual operators of the farm, in which case the corporation would be ineligible. We want to prevent absentee persons who may own the majority of shares from becoming beneficiaries of the legislation.

As to the other point raised by the two hon. members I have mentioned, we believe we should bring as many farm units as possible up to economic viability with the amount of money we have. This is one of the reasons we say that if two or more farmers are in a co-operative or in a corporation they should be entitled to as much aid within the $100,000 limit as they would have been, had they been farming separately. We are not proposing amendments in this bill to raise the individual limit on funds; hon. gentlemen know those limits, now.

One other comment which I think will allay some apprehension. In clause 7 there is a provision that should the shares of a co-operative or corporation change in such a way that a majority go out of the hands of the actual owners, the corporation reserves the right to demand repayment of the loan. The purpose is the same; we want the benefits of this act to flow to the actual operators, not to anyone outside the operation. We wish to safeguard the situation should control be transferred from the hands of the actual operators later on.

[*Translation*]

Mr. Rondeau: Mr. Chairman, I wish to say a few words on Bill No. C-110 which is somewhat of the same nature as the one passed this afternoon concerning farm improvement loans. Tonight we are considering Bill No. C-110 concerning farm machinery loans.

I would have liked the minister to tell us where matters stand in the investigation mentioned in the revised estimates for 1969, page 385, under expenses of the royal commission on farm machinery. Before introducing his new bill, it would have been normal, it seems to me, for this royal commission which has already cost $508,100 in 1967-68 and for which an expenditure of about $382,000 will have to be authorized for 1968-69, for a total amount of approximately $900,000 in two years to investigate on the cost of farm machinery in Canada, to have served some useful purpose.

Nearly one million has been spent up to now and as yet we have no indication or report concerning that inquiry.

Before introducing this bill, I think that the minister could have told us this royal commission will have completed its job within one or two months and, in the light of that inquiry, we might be able to better study the bill which is before us today.

I should like tonight to join the Minister of Agriculture (Mr. Olson) when he said, not so long ago, on April 26, 1966 when he sat on this side of the house and stated clearly his thinking about the implication of the legislation which was introduced that day, regarding the prices of farm machinery and the farm situation in Canada.

As shown on page 4324, of the *Debates of the House of Commons*, April 26, 1966 the hon. member for Medicine Hat, now Minister of Agriculture said, and I quote:

> The minister said that the government anticipates this expansion of money available to the Farm Credit Corporation will be sufficient for two and a half years. I suggest to him that if the price of land and farm machinery continues to rise as rapidly during the next two and a half years as it rise in the last two and a half years the extension will not provide the capital required by farmers in the next two and a half years.
>
> I think that perhaps one of the real problems—and paradoxes in the extension of farm credit under the Farm Credit Corporation is that every time parliament increases the amount of money available to individual farmers you find there is an almost concurrent or immediately following increase in the price of land.
>
> I have come to believe that one of the reasons for the increase in the price of land is that very recently the maximum amount available from the Farm Credit Corporation to an individual applicant was increased. I suggest, Mr. Chairman, that we are partially defeating the purpose of the act in increasing the maximum amount available.

[Mr. Olson.]

Thus, at that time, the maximum was wrong, and today it is all right.

> One of the problems that follows these increases and the high prices paid for land and machinery is, of course, that the capital cost, interest charges and other things that a farmer must bear increase substantially.
>
> One of the greatest problems . . . is that we need to be even more concerned about finding ways and means of seeing that farmers have an opportunity to repay these loans.

And he was right.

> One of the greatest problems . . . is that we need to be even more concerned about finding ways and means of seeing that farmers have an opportunity to repay these loans.

It was a problem then and it still is today. I continue:

> I know that an increasing number of well-established farmers are today getting into financial difficulty and have been for the last two or three years because of the so-called cost-price squeeze.

• (8:30 p.m.)

The problem the minister discussed at that time, as reported on page 4324, the "cost-price squeeze", is still with us today.

I doubt that increasing the interest on loans for the purchase of farm machinery—as we did this afternoon for farm loans—which he denounced at that time, will remedy the situation that he then wanted to change.

> The situation is perhaps not so difficult for well established farmers—

—again he is the one who says so—

> —who have accumulated the necessary capital, but it is extremely difficult for a young farmer to obtain this amount of capital. If the young farmer does not obtain the capital he is unable to obtain the productivity necessary to provide a reasonable standard of living; his net income is not sufficient.

He concluded with his two main points:

> —I should like to impress upon the minister that we in this part of the house are very concerned about the deteriorating net income of farmers across the country, because from this net income they will have to repay these loans in the future.

I wonder whether the minister is as concerned on the other side of the house as he was on April 26, 1966. He added:

> Finally, I want to say that there has been—

And this is where we come to the same point where we are today, some two and a half years after later,

> Finally, I want to say that there has been an alarming increase in the price of farm machinery.

It was a problem two and a half years ago. In the meantime, a royal commission has been set up, and it has cost nearly a million

dollars. However, prices have been constantly increasing.

I wonder whether one of the first steps—

It was the present minister who was then speaking.

—the minister could take in connection with this matter would be to have the people responsible for combines investigations look into the situation to ascertain if there has been any agreements made between the various farm machinery companies to raise prices. If there has not been, it seems a little difficult to understand—

We still do not understand.

—why all of them decided to raise their prices substantially within the last 15 to 18 months.

The problems of that time are still the same in October 1968.

I conclude by saying—

I am quoting the words said by the minister in 1966, and I would like him to remember.

I conclude by saying that I feel the minister has a responsibility to do something to convince farmers across the country that there is some justifiable cause for the very large and significant increase in farm machinery prices which we have noted recently.

At that time, there were complaints about the increase in farm machinery prices. So how will the minister convince all the farmers in this country that the interest increase on farm loans and the interest on farm machinery purchases, we want to increase tonight, are acceptable?

I should like, at this stage, to make a comment concerning the hon. member for Kent-Essex (Mr. Danforth) who, a while ago, denounced the interest rate on farm loans and farm machinery, saying they were intended to be profitable to banks only. This afternoon, however, less than twelve hours ago, that same member voted for the increase in the rate of interest.

Again, it is not the farmers, as I have shown this afternoon, who are getting returns and whose returns are increasing. It is precisely the rates of interest charged to those people we are preparing to increase tonight and those loans will be profitable to individuals who are at present in the financial world and in favour of whom this new act will mostly work, as the hon. member for Kent-Essex has pointed out in his complaints.

I take for instance the case of Mr. George Arnold Harp, President of the Bank of Montreal, who is administrator of a finance company and of trust companies, who is involved with farm machinery companies, who is a member of farm machinery unions, who has invested in funds, who administered in 1966 a total of $14,387,000,000 and who caused the profits of the companies he was administering in 1966 to show an increase of $1,249,968,000. This afternoon we voted against a legislation for which the government and the conservatives have voted unanimously so as to increase the profits of those gentlemen. The same M.P.'s will probably vote again unanimously, following the same logical reasoning they have brought forth this afternoon, to increase the rate of interest on loans granted for the purchase of farm machinery, although the hon. member for Kent-Essex has spoken against such plan this afternoon.

Mr. Chairman, I could also consider the balance-sheet of companies administered by Mr. Earl McNaughton, chairman of the Royal Bank of Canada and executive of several finance companies, especially Capital Investment Corporation, Niagara Insurance, Canadian Pacific Railway, General Motors, Royal Victoria Hospital and many others, as the Montreal Trust, etc.

The asset of the companies which he administered in 1967 amounted to $33,759 million and still, not one of their balance-sheet shows a deficit. Nevertheless, this evening we are on the verge of doubling the interests of those gentlemen, since the Minister of Agriculture has not yet said no to the financiers.

At this point, I would like to remind him that a few years ago, he knew how to say no to financiers. Now he is saying no to the farmers, and he says yes to the finance corporations and banks which to-morrow could double the interests on loans for the purchase of farming implements and thus raise problems for many hundreds of thousands of farmers.

As the minister was not here this afternoon when I made the remark regarding a farmer who last night was to make a loan at 5 per cent, I will remind him that the same farmer will not be ready, within a few days, to borrow at 8 or 9 per cent. Canada will count one farmer less, which will make our national product go down by as much and the Minister of Agriculture will be responsible for this situation.

It is unfortunate that we have to repeat all this to the Minister of Agriculture who is an expert in agriculture as well as in finance. That is why we cannot pass without objecting, a bill which is so important for the farmers and which will cause a serious prejudice to them in years to come.

Farm Credit Act

• (8:40 p.m.)

[*English*]

Mr. Horner: Mr. Chairman, I should like to make a few comments on the bill which is now before us. I was particularly pleased to see the farm improvement loans legislation pass through the house this afternoon. I wish to comment that the measure of worth of the Minister of Agriculture will depend on how low he can convince his cohorts to set the interest rate and still have the banks lend money. We on this side of the house will watch very closely the formula that derives and how successful it is.

I should like to take exception to what has been said by the hon. member for Shefford, who has just spoken, when he suggests that we in this party voted for higher interest rates on this very point. We voted to establish a formula so that the interest rate could go only so high. The government did not accept the suggestion; I suppose it thought our formula was too low. However, we voted for the measure in an attempt to encourage the banks to lend money to the farmers so that they could make a profit, and not necessarily so that the banks could make a profit. We were in no way concerned whether the banks made a profit or not, but we were concerned about the agricultural industry. I think my friends on this side dealt with that point quite extensively.

I am a little disappointed because the minister proceeded with this legislation. Forgive me for saying so, but over the Thanksgiving week end I made an extensive tour of central Alberta. I can only say that I was depressed when I saw the weather conditions as bad as they were. The farmers have not turned a wheel for two weeks; crops are still lying out in the weather. There is snow in some fields, while other fields are too wet to enable a machine to get on them at all. I am a little disappointed that the minister did not bring in the cash advances legislation before the farm credit legislation, because the one represents immediate cash and the other represents long term credit.

Mr. Olson: We have it ready to go on with immediately.

Mr. Horner: I realize the minister is prepared, but I was somewhat concerned this afternoon when he said that this legislation must go through, and hinted to the house that he has used up all the time his government will allow him for his farm legislation. I was a little disappointed when he threw out the hint this afternoon about his time running out. In earlier days the minister had the whole department; now it is split into three sections under three ministers. One would think that three ministers would command some position in the government and that agricultural legislation would not be allowed only a limited number of days.

Mr. Olson: We have had priority of time that has been available.

Mr. Horner: I would hate to think that we were hamstrung in dealing with as important an issue as long term agricultural credit. This is an important issue, because certainly, when one considers the plight of the farmers today and in the immediate future he can only say that credit must play a major part in the revamping of the whole agricultural industry.

Clause I of this bill defines a farmer as one whose principal occupation is that of farming. In answering a question of the hon. member for Kent-Essex the minister said that we must acknowledge the fact that farmers should be encouraged to join together in order to compete better with vertical integration. Where has the family farm gone? Has it become non-existent; has it passed from the sight of all politicians, including the Minister of Agriculture? Why is this legislation not primarily for the purpose of strengthening and enlarging the family farm?

Mr. Olson: It is.

Mr. Horner: Why is it necessary for us to become involved in the whole complex matter of joining farmers together? Have we admitted that the agriculture industry is beyond hope unless the farmers band together? I would like to think this is not so. On June 4 the Winnipeg *Free Press* quoted the Prime Minister as saying this:

> The government proposes to amend the farm credit legislation to provide for broadened applicability and to stimulate the entry into the industry of younger people. These amendments would provide increased coverage for farmers desirous of acting in partnership, would improve the ability of farmers to enter into agreements with their sons—

An hon. Member: Hear, hear.

Mr. Horner: This is a quotation from a speech by the Prime Minister. I hear somebody over there saying "hear, hear". I am glad that someone in the Liberal party agrees with my interpretation of someone else's remarks, because sometimes I am accused of misinterpreting their remarks. This is what

the Prime Minister dealt with, as reported by the Winnipeg *Free Press* on June 4. He said that we must direct farm credit in such a way that farmers will be desirous of acting in partnership.

An hon. Member: I cannot hear you.

Mr. Horner: He said he would direct—

An hon. Member: Louder.

Mr. Horner: He said he would direct farmers to enter into agreement with their sons in a farming partnership. This is what the Prime Minister said. At the same time he also had an interesting theory. In the same news item he suggested that we must set up two categories of farmers, the big and the small, with special help to the small. I have looked through this whole bill in an effort to find some help for the small acreage farmer.

An hon. Member: What did you find?

Mr. Horner: In answer to the smart replies over there I must say that I did not find anything. You know, we have a new rump here tonight. If one could measure the amount of brains by the amount of noise one might think there was a pretty intelligent rump over on that side.

An hon. Member: You are right.

Mr. Horner: I should like to say—

An hon. Member: Why don't you?

Mr. Horner: The only person here who has a time limit is the Minister of Agriculture. He pleaded with members of the house to get this legislation through tonight. I am in no particular hurry. If hon. gentlemen over there wish to prolong this debate, I am quite in agreement, because I believe the question of long term credit for the agricultural industry deserves more than a few scant hours of hurried scanning in this house. I should like to ask the minister where the family farm has gone. Has he lost sight of it altogether?

Mr. Olson: Not at all.

Mr. Horner: This legislation purports to aid those farmers who will join together. I do not deny that two farmers who have joined together can compete better in the agricultural world in which we find ourselves today. I am not denying that fact; but it has always been my belief, and the belief of the Conservative party, that it is the duty of the government to promote the greatest opportunity for the greatest number of people.

If we accept the philosophy and promote the idea that farmers must join together, that a father and son must join together, or that two or three brothers must join together, then we immediately accept the philosophy that it is government's duty to aid the big and say "to heck" with the small.

• (8:50 p.m.)

That is what this bill does.

Mr. Olson: It does exactly the opposite.

Mr. Horner: I should like to ask the minister whether this long term credit plan is not doing exactly the same thing the Prime Minister suggested, as reported in the Winnipeg *Free Press* of June 4, when he said:

> Because government assistance programs to farmers have, in the past, tended to do least for the people who need help most—the smaller, less efficient farmers—the Liberals are suggesting that farms be divided into two categories, with the operator deciding in which category he wishes to be. The greatest assistance would go to small, marginal farmers; the least would go to large, commercial operators. But the small farmer would pay a price. In return for government aid he would have to promise not to sell his farm, except for incorporation into a larger, more economic unit, or to a public authority—to be used for a community pasture or parkland.

Let me deal with the first part of the Prime Minister's comment. The greatest amount of assistance is to be given to the small farmer; but this bill allows the governor in council to set the interest rates. The minister has not said there will be two interest rates, one for the corporate farmer and one for the family farmer; or one for two brothers, or a father and son, and another for a family farm. He has not said what this particular clause will do for the individual farmer.

The minister did say to the hon. member for Kent-Essex that the individual would have to own the land; but how do you determine whether the man who owns the land is actually farming it?

Mr. Olson: He would have to make a declaration that he was farming it.

Mr. Horner: Would he have to live on the land? The minister does not answer because he does not know. He himself would have difficulty in qualifying as a farmer if that were the case. These are the points that should be cleared up before this clause is passed.

There is no hesitation on my part in saying that long term credit is of utmost importance to the agricultural industry today. Never

before has this industry been so badly in need of long term credit. Let me commend the operations of the Farm Credit Corporation in the past. If I had any criticism to offer I would say it has asked for too much guarantee and has not approved a sufficient number of loans to support the individual farmer.

I have not known of two brothers who were farming together who had much trouble getting money. There always seems to be money available for this type of operation, which is of a concentrated nature. They are not necessarily the most efficient farmers, but certainly the government is promoting the establishment of this type of farm through this type of farm credit legislation.

In my own area and throughout the constituency of Crowfoot there are brothers who farm together. I commend them for this, and there is very little that can be said against this type of operation. However, the backbone of the agricultural industry is the family farm. This bill and the proposed amendments will change the situation drastically. There will be a tendency on the part of farmers to create corporate farms. In this way they will be able to qualify for loans of $100,000 or more, whereas the maximum an individual farmer might obtain will be something in the neighbourhood of $40,000.

The hon. member for Shefford quoted the speech of the Minister of Agriculture, which I quoted earlier, in which the minister suggested that the cost of land would go up if money was made available. He suggested that this in fact has been the case, and I agree with him. Let me take this one step further. If this has been the case in the past, what will happen in the future when the government is prepared to give $100,000 to two or three brothers who farm together in order to purchase property? The individual farmer will be able to obtain only $40,000. Who do you suppose will be able to pay the extra $1, $2 or $5 per acre for that piece of land? There is no doubt in my mind that the corporate or single family unit, as the minister likes to describe it, will have the money to buy that acreage. That type of operation will grow, because brothers will be in a position to pay the extra money wanted by the farmer who is selling out. That farmer wants the highest price he can get, and I do not hold that against him. If the minister makes more money available to this type of operation he will increase the cost of land.

If this is what he wants, and feels is best, he will eventually end up with state farms like they have in Russia. Two farmers will not be able to farm together as successfully as five farmers, and five farmers will not farm as effectively together as ten. In ten or 20 years from now we will have state farms, and as a result of this legislation they will actually be state farms because of the money the units will owe the government.

The minister shakes his head in a negative fashion, but he has not changed my views by the remarks he has made. I asked him whether the individuals applying for loans would have to be engaged actively in farming and living on the farms, and he replied that they would have to be actively engaged. I suppose these people could go to the banks and borrow money, and then turn it over to managers. I am not sure that is the case, and I am not sure that would constitute being actively engaged.

At this time we must be very careful about where we are going as a result of clause 1 of this particular bill. Let us not forget the value of family farms. I am in complete agreement with the Minister of Agriculture that farmers may tend to join together to survive. I cannot accept this policy of the government which seems to indicate that the family farm is not an efficient operation and cannot survive. I firmly believe that these are efficient operations, and that an equal opportunity should be given to the individual farmer.

Let me remind the minister of the permit book system adopted by the Wheat Board. Two brothers farming together on a single farm unit receive one permit book, and an individual farmer on a single unit right alongside would also have one permit book. The minister has come up with a bill which will allow the corporate farm units to obtain loans of $100,000, whereas individual farmers may only obtain a maximum loan of $40,000. This will invariably put a group of farmers in a better position to buy the land in a particular area and it will inevitably increase the cost.

When talking to officials of the minister's department I have been told that two farmers operating together are better off financially than an individual farmer, and as a result are in a better position to pay back their loan. I do not disagree with that suggestion. Two or more farmers operating together have a built-in labour force, and more initiative because they are directly involved. I do not believe the government should go out of its way to promote one operation against another. It has been my belief that the government should provide equal opportunity. If we follow the

idea outlined by the minister we will ultimately force more and more family farms out of business.

• (9:00 p.m.)

Mr. Olson: Mr. Chairman, I wonder whether I could help the hon. member.

Mr. Horner: I see that the minister is eager to rise, Mr. Chairman.

Mr. Olson: The hon. member for Crowfoot has made the point several times, or has attempted to do so, that this measure will force family farms into a disadvantageous position relative to some other form of entity, whether it be a co-operative or corporation set-up. The fact of the matter is that exactly the opposite is true. If there is a family farm where there is more than one owner-operator, father-son, or father and more than one son, and if there is a partnership or family corporation or co-operative—indeed it does not have to be in that form as long as it is operated as one business, as a family unit—$100,000 is available to them. It would be $80,000 if there are two, and $100,000 if there are three.

All these changes will do will be to recognize every farmer, whether he belongs to a family unit or is in business for himself as having a right, as a bona fide farmer and a citizen of Canada, to apply for $40,000. He can then organize himself, whether it be in a family unit or some other arrangement, with those around him into operating the most efficient, economic unit. In this way he can take advantage of what my hon. friend has attempted to put forward as an economic disadvantage; that is, he can enter into a corporate arrangement and he would not be denied borrowing up to $40,000 because he belonged to a larger business than a singly-owned proprietorship type of farm.

Therefore, Mr. Chairman, it is very, very difficult for me to follow the argument of the hon. member, because what he is arguing against, in so far as a family farm is concerned, is actually being provided for in this measure to make it easier and better for family farms and other small groups to in fact take advantage of the efficiency of operating a larger unit.

Mr. Horner: Mr. Chairman, perhaps the minister's definition is quite convincing to those who are not aware of the actual conditions and practical application of the agricultural industry, and what is happening in it. The minister did not enunciate how the family had to be made up in order to borrow the $120,000, I think it is, that he mentioned. The minister was referring to a farmer operating a family farm with sons of 21 years of age or 18 years of age. He did not in any way refer to a farmer who has daughters.

Mr. Olson: Mr. Chairman, I think the hon. member would agree that they are not partners until they become of age, whether it be 18 years of age or 21 years of age.

Mr. Horner: Now the minister has put the picture very, very clearly. Supposing there are one, two or three brothers farming together, and a piece of land is for sale, and supposing also that a family operating a very efficient unit has children who are not 18 years of age or 19 years of age—they may be 6, 7, or 8 years of age; perhaps there are a few young farmers still in this country who have been brave enough in the last few years to try to establish a farm—I ask, who will be able to buy the piece of land available for sale in the neighbourhood?

Under the provisions of this bill, those able to buy the land will be the established, two, three or four brothers farming together who have formed a company. Perhaps two or three of the brothers are still in the city or have gone back to the towns and are doctors, or what have you; but they are considered to be farmers because they were able to borrow the money. The minister did not say they have to live on the farm, but as long as they are operating the farm—perhaps drive out at week ends to supervise it—they are eligible to take advantage of this bill.

Mr. Olson: The act says "principal occupation".

Mr. Horner: That is a difficult one to determine, Mr. Chairman. "Principal occupation" is a very difficult term to define.

An hon. Member: It is defined all the time.

Mr. Horner: Now we have the learned expert entering the debate. I wish that more of the backbenchers on the other side of the house would enter this debate, because we would benefit so much from the knowledge that they are sitting on. "Principal occupation" does not give a clear definition as to his degree of occupation in that field. It depends upon whether he is actively engaged in the agricultural industry. He might be an auctioneer making far more than the earnings of his farm.

Mr. Olson: Mr. Chairman, I wonder whether the hon. gentleman would permit me to quote the interpretation of "principal occupation" which was put into the act by his party when in government. It says:

> Where a person has two or more major occupations, one of which is farming, the corporation may determine which of such occupations is his principal occupation for the purposes of this act.

That was the definition put into the act by his party when in government.

Mr. Horner: That points out very vividly, Mr. Chairman, the difficulty in trying to define "principal occupation". The minister has substantiated my argument as to why it is not properly defined. In the opinion of the Farm Credit Corporation, what is a person's "principal occupation"? In other words, it is left to the corporation to decide this question and there is no real definition of the term. I am not disputing that particular point. The minister has in effect sidetracked me. He has not defined what is meant by "principal occupation". He has tried to define a family farm as one operated by a father and three sons, or a father and two sons, or a daughter, who has a contract. How many farms in western Canada would the minister describe as family farms which have no contract among the family?

Mr. Olson: You do not need a contract.

Mr. Horner: Ninety per cent of the family farms are operated as one person, that is, by the breadwinner of the family. The rest of the family contribute, no matter what their age, to the productive capacity of the farm. They do this beyond a shadow of a doubt. They do it in more ways than one. They may well not be old enough to sign a contract, such as the minister wants them to do under the provisions of this legislation. In fact, Mr. Chairman, I go back to my own boyhood in this respect. Without a doubt I worked harder at age 16 than I did at age 22. This exemplifies the point I have been trying to make, which is that this bill specifically helps and encourages the joining together, under a contract, of individual farmers.

The minister knows well the company of which I speak. Supposing that a piece of land comes up for sale and three or four people get together and buy it, they run the cattle jointly and form and operate a company, but they are still operating individual farms, the question that arises is: Would that be a company of bona fide farmers whose principal occupation is farming, because in that case they would have a distinct advantage over a family farm that is also looking at that grazing land with envious eyes. The company formed in this way would be able to borrow $120,000 under this bill.

Mr. Olson: That figure is wrong, Mr. Chairman; $100,000 is the limit.

Mr. Horner: The minister would suggest that there is not too much difference between $40,000 and $100,000, but to the family farm there is a great deal of difference. I want it clearly understood by every member in the house, by the backbenchers of the minister's party and everybody else, that this bill denies the right to the family farm to compete equally with groups of persons banding or joining together in order to borrow money. It denies this right to a family farm, particularly if that farm is not incorporated and if the children on it are not old enough to sign a contract. This bill specifically spells out that such an arrangment cannot be considered a partnership. To qualify for a loan under the provisions of the bill, you must have children and they must be of age 18 or 21, and all boys. This must be the situation for such a farmer to compete with a joint operation. So let it be clearly understood that this bill is designed to take away any advantage that the family farmer has. This is what the minister is doing.

• (9:10 p.m.)

I would like very much to hear the minister dispute that argument far better than he has done so far tonight. He has not done so in any way, and I say to all members of this house it is my belief that the family farm is still the backbone of the industry, and it is the government's duty to maintain it, particularly in this bill which deals with long term credit.

Mr. Harding: Mr. Chairman, it is not my intention to take up too much time this evening but there are one or two questions that I would like to direct to the minister. I think most of the pertinent facts dealing with the legislation before us have been covered by one speaker or another during this debate, which has lasted for several days. There is one point however which does bear a great deal of repetition. I am referring to the change which has been made in the setting of the interest rates. I think this proposed change is the most objectionable feature of the amending legislation, and it is this particular point which has caused more debate

than any other. There are two objections to the change with which I would like to deal. First, instead of the rate being written into the act we see that the government intends to ask the house to change the regulations so that the interest rate would be set by governor in council. Personally I object to this change, and there are several reasons for my objections.

My first objection is to the fact that once again it is proposed that the regulating powers of this house be taken away from the members and handed over to the cabinet. I think this increasing trend toward government by order in council is not good, whether it is in the House of Commons, in the provincial legislature or wherever it may take place. There is far too much government by order in council, so that the elected representatives of the people do not have a voice in the decisions that are made. Handing this power over to the cabinet, no matter how good their intentions may be, is a step in the wrong direction.

The second reason for my objection, and one which I think will affect farmers most of all, is that we are going to see an increase in the interest rate which will be charged for loans under this act. It seems to me that in the old act the rate was set at 5 per cent. Farmers knew what they would have to pay when they went to the corporation for a loan. Today the minister is suggesting that we hand over to the cabinet the right to set the rate of interest on loans granted under this piece of legislation.

Mr. Olson: I wonder if the hon. member would allow me to suggest that he deal with this matter when we get to clause 5 where the interest rate in embodied. It is not included in clause 1.

Mr. Harding: Mr. Chairman, I have only a minute or two left and I might as well complete the point I am making right now, rather than bring it up later on. I want to point out that as a new member I have been impressed by the number of members from all sides of the house who have taken part in the debate and who have told us of the trouble in which farmers all over the country find themselves. There have been references to the corn growers in Ontario and the grain farmers on the prairies, for whom this is one of the very bad years.

Here we are debating the interest rate, and the minister has assured us that in his opinion it will come down. I have one or two suggestions which I would like to make to him. I think the interest rate should be kept at 5 per cent, that it should be written into the act, and that we should subsidize the difference, if necessary. Perhaps we should put a ceiling on the amount of loan to be subsidized. This can be done.

The suggestion was made the other day that it would not be possible to put a ceiling on the amount of loan to be subsidized, because of the difficulties we would have with banks. However, in this case we are dealing with a crown corporation, so that subsidization can take place very easily. I want to point out to the minister the case of a farmer desperately in need of money. He borrows money at 7 or 8 per cent, and six months hence the interest rate could drop. This farmer, however, will be stuck for many years with a high interest loan which will amount to many thousands of dollars. Hon. members must be aware of the trouble in the field of housing under the N.H.A. where the interest rates went sky high and thus a terrific cost was inflicted on people trying to build homes, and borrow money at these exceptionally high rates.

Again I appeal to the minister and to the members of this house that we take another look at this matter. We can afford to subsidize loans for one year under this act. This will not break the government. Already there are many fields where money is being wasted. This money could, instead, be applied to give the farmers in a bad year at least an opportunity to get loans at 5 per cent interest rate, and even that in my opinion is too high.

Mr. Burton: Mr. Chairman, I would like to come back to a point raised earlier by me, and on which the minister commented with respect to the term "farming corporation" as qualifying under the definition of "farmer". I want to make it quite clear that I do not question the minister's word or the government's intention with respect to the extension of the term "farmer" to mean also a farming corporation, but it seems to me we as legislators have the responsibility of providing some protection in the legislation to prevent so far as possible the possible future subversion of the intent of this legislation, which could result in harm to the industry which we are trying to help.

In paragraph (e) of subclause 1 of clause 1 the term "farmer" includes three different categories: First, an individual whose principal occupation is farming, second, a farming

corporation as defined by regulation—this is left completely open—and third, an individual who is the owner of farm land that is being farmed by a farming corporation, where that individual is a shareholder of the corporation and is principally occupied in the farming operations of that corporation.

So since under subparagraphs (i) and (iii) it is possible to refer to "principal occupation is farming" or "principally occupied in the farming operations of that corporation", it should also be possible to add such a provision in subparagraph (ii). Consequently I should like to move the following amendment:

That the following words be added to clause 1 subclause (1) immediately after the word "regulation," in line 12: "provided that at least 95 per cent of the shares are owned by individuals who are principally occupied in the farming operations of that corporation".

• (9:20 p.m.)

I might elaborate on this amendment by pointing out, first of all, that the reference to a 95 per cent share requirement is consistent with the present regulations under the Farm Credit Act. The definition of a family farm corporation in these regulations provides that 95 per cent of the shares must be owned by those who are actually actively participating in the operation of the family farm corporation. The last part of the wording is similar to the last words of subparagraph (3) of this particular paragraph. I move the amendment, Mr. Chairman.

The Deputy Chairman: Is the committee ready for the question?

Mr. Horner: Before the amendment is dealt with, I feel we should have an explanation from either the minister or the mover of the amendment. As I understand it, the suggestion is that 95 per cent of the shares must be owned by individuals who are principally occupied in the farm operation of that corporation. I should like the matter cleared up in my mind. It seems to me this wording suggests that you cannot have a farmer owning a farm and getting involved in another corporation. I should like the minister to give his interpretation of this amendment before we vote on it so quickly. I should like more information from the mover of this amendment because it suggests that the individual must be principally occupied in the farm corporation, and no other family farm or corporation.

[Mr. Burton.]

Mr. Olson: Mr. Chairman, it is intended that a similar provision to this will be contained in the regulations. However, I would say to the hon. member that the amendment would cause some hardship if we use the figure of 95 per cent. The reason is that it would be necessary then, for example, in a father and son relationship, for one to buy the other out if the farm changed hands. We believe the figure should be substantial, certainly well over 50 per cent. When I say that, I do not mean close to 50 per cent; I mean well above it. From the practical standpoint, we would find such a provision would cause some hardship when attempts were made to find the money to buy out all of the shares up to 95 per cent.

We have to bear in mind one or two other things. The amount of money that can be borrowed from the corporation does not go up to 95 per cent of the value of the farm unit. While we are certainly going to do something of this nature in the regulations, since such a provision has been used before, we feel that 95 per cent would be restrictive. This provision would necessitate a young farmer raising a substantial amount of cash, and this would be difficult. The shareholder may be his father or some other relative who could hold some of these shares, but he would not then be principally occupied in the farm operation of that corporation. This is the reason it would be difficult to accept this high percentage.

Mr. Stanfield: May I ask the minister why he does not put the definition in the act, rather than simply say he is going to deal with it by regulation? Is there any valid excuse for not having the provision incorporated in the act?

Mr. Olson: Yes, there is, because we need to gain some experience with the various kinds of corporate and co-operative structures and the shareholdings that would be involved. There are many different kinds of arrangements, and there are many people involved in the farm business. We would like to have enough flexibility so we could make provision, first of all to meet these problems and at the same time make certain it is only actual owner-borrowers who are benefiting from this finance facility.

Mr. Stanfield: What assurance has the house that the regulations will in fact provide what the minister is now suggesting?

Mr. Olson: I am advised that when the family farm concept was put into the act in the first place, the definiton of "family farm" was left to be defined in the regulations on the basis of some experience in the various arrangements and structures of the ownership, control and operation of family farms. We believe that we need to have some experience with these more formal arrangeements of family farm corporations and other farm corporations where the members participating are actual operators. There are partnerships and there are many other arrangements that are envisaged here. We feel we need some time to gain experience, at least in the first instance, to find out what variations there are in the structures.

Mr. Stanfield: The house has no assurance in this regard. In so far as the family farm is concerned, there is some room for latitude in the definition of a family farm. However, the latitude would be within a quite narrow variation. When you move into the area of corporations, I may say I am not so enamoured of the amendment put forward because it is not narrowing the definition. It does not really prevent a corporation from being involved in many farm operations. The amendment put forward is not really very restrictive. What I am protesting against is the minister asking for a blank cheque and simply trying to soothe the committee by saying it is proposed to do this or that. We have had a number of other instances in which assurances have been given—and I do not want to be offensive—but the actualities turned out to be very different from the assurances given.

Mr. Olson: I accept that reason for raising this point. I would have to say, though, that there were a number of definitions and interpretations that were left to the regulations each time the act has been amended. Indeed, when the act came into force in the first place on July 18, 1939, the definition of a "farmer" was a person whose principal occupation is farming and, for the purpose of part II, included co-operative farm associations and family farm corporations as defined by the regulations. This is not new to the act, it has been in the act for nine or ten years.

• (9:30 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, in reality, the proposed amendment does not mean much. However, that does not mean that I accept the definition or the words of the hon. minister, according to whom we should try out this new system of financing, and it would be difficult to accept this amendment which means that 95 per cent of the shares would be held by individuals or by the individual contracting the loan under the new legislation.

Mr. Chairman, the hon. minister knows this. The mover of the amendment must know it, too. They know that one has to own 95 per cent of a farm in order to borrow $40,000, $80,000 or $100,000. This means that when the loan is made, when the farmer has given his farm or property as guarantee, the financial system which finances the purchase or loan holds or controls 95 per cent of the shares of that farm. In other words, we are going in circles, always within the same system.

Here, according to the definition given by the hon. minister and which we see in the bill, it is obvious that some people thought very hard in order to come to the conclusion that a farmer is someone who works his farm. I suppose they had to take special courses to understand that a farmer is a man who works his farm and whose main occupation is agriculture.

For the purpose of Part II, this term includes a co-operative farm association and a family farming corporation as defined by the clause.

Mr. Chairman, I had something else to say on the bill itself, but since we are now considering the amendment—that is the subject under discussion—I must say that it means nothing at all under the circumstances, even if the shares are held on a 50 or 60 per cent basis by someone engaged in farming. Evidently, those people can borrow as well as those who hold 95 per cent of the shares. Nowadays, one rather seldom sees people holding 95 per cent of the shares in farming operations, even in western or in eastern Canada, because farms are mortgaged and because land is controlled at present not by the farmer but by those very people whom the minister wants us to accept as lenders to the Canadian farmers.

[*English*]

Mr. Burton: Mr. Chairman, I recognize the difficulties pointed out by the minister regarding the 95 per cent figure that is proposed in my amendment. I simply took the figure in the regulations made under the act, which have applied up to the present time. I should be interested in hearing from the minister the sort of figure he has in mind as being reasonable, taking into account the variety of circumstances that might arise.

I also recognize the point made by the Leader of the Opposition, that this in fact is not the final word in closing the door to the undesirable entry of corporations into farming operations, with the assistance of the public. However, I would ask the minister whether he is prepared to give the committee an undertaking that it is the intention of the government to pass regulations that do fulfil the intent of this amendment, namely that any public assistance given through the Farm Credit Corporation to help people to become established in farming, to established farming operations or to extend farming operations will be restricted to those who are principally engaged in the occupation of farming.

Mr. Olson: Mr. Chairman, I can reply to the hon. member. He referred to the 95 per cent figure contained in the present regulations. While the regulations provide that 95 per cent of the ownership must be with members of the family, the regulations also provide that only 51 per cent shall be held by the actual operators. I can give the hon. member the undertaking that when the regulations are drawn they will provide that 51 per cent or even a larger share of the shares must be held by actual operators.

I would not like to give the hon. member the exact figure at this stage because there are such things as voting shares, preferred shares and other aspects involved in the structure of these companies. However, I can give the hon. member opposite the assurance that a majority, and indeed much more than a majority, of the shares will have to be held by the owner operators.

Then there is the problem that arises in corporate family farm structures which include young people who cannot be defined as operators, but may have an interest in the family farm corporation. We should like to leave enough room here so that this would not defeat some of the objectives in strengthening the competitive ability of the family farm unit.

Mr. Burton: Mr. Chairman, on the basis of the explanation given by the minister and his undertaking to me, I ask the leave of the committee to withdraw my amendment.

The Deputy Chairman: Has the hon. member leave to withdraw his amendment?

Some hon. Members: Agreed.

Amendment withdrawn.

[Mr. Burton.]

Mr. Horner: Mr. Chairman, before we proceed with clause 1, since the minister was discussing the regulations a minute ago would he say whether they still declare that the prime purpose of the Farm Credit Corporation is to aid farmers not now operating an economic unit? When the Farm Credit Corporation was first established in 1959 the regulations provided that loans could not be made to farmers who were already established on an economic farm unit. The corporation's basic purpose was to help farmers become established on economic units, putting them on a sounder footing. Would the minister say whether this provision, or one like it, is still in the regulations?

Mr. Olson: Yes, it is.

Mr. Horner: Then, Mr. Chairman, what is the minister's definition of an economic unit, if he is prepared to lend up to $100,000 to two, three or more farmers who are farming together a joint operation? Anyone with enough credit to borrow $100,000 today would be considered in the agricultural industry to be operating an established farm as an economic unit. Would the minister explain this regulation?

Mr. Olson: Yes, Mr. Chairman. I am sure the hon. gentleman will recognize at once that three individuals have to apply for the loan through a corporation, a partnership, a co-operative or some other structure. I presume it takes nearly three times as much to support three families as to support one, and this is the justification for that amount. Each farmer, or citizen who wants to become a farmer, whether a member of one of these co-operations or associations or not, is entitled to equal consideration.

The regulations which were drafted are still applicable, Mr. Chairman. Regulation 12 (2) provides:

> Where, in the judgment of the Corporation, an applicant for a loan has the resources required to complete an economic farm unit the corporation may decline to make a loan to him or limit the amount of the loan to be made to him.

This regulation would apply in this case, Mr. Chairman. I repeat for emphasis that if there is more than one family—and in many cases there will be—living off the same farm unit, the size of the farm, to become an economic unit, must go up proportionately.

Mr. Horner: Mr. Chairman, I am not concerned with those farmers already living on a farm, the example cited by the minister. I am

concerned, in broadening the scope of this legislation, that the change in the definition of what is a farmer would make money available to corporations or co-operative farm associations that are already established units, units that to all intents and purposes are quite productive but want to enlarge. I am concerned that money will be taken out of the public treasury, in effect, and given primarily to those already engaged in farming on a sound financial basis. The lending of money to these sound economic units will mean depriving somebody else of a loan to assist him in his operations.

• (9:40 p.m.)

Mr. Olson: But the same regulation applies. The key phrase is "if, in the judgment of the corporation...". It is the same phrase as has been used in the past. Where an individual or a corporation has the resources to complete an economic farm unit the corporation has a right to decline a loan on that basis.

Mr. Horner: This brings us to the crux of the problem. The regulations may be the same but they are now to be interpreted in line with a new act. The corporation can well interpret the intent of the government and of parliament in passing it, and the intent is to help corporations and co-operatives which are already established. So the interpretation of the regulation will definitely change. It is not enough for the minister to say that the regulation which was in effect in the past will continue to be in effect in the future, because it applies now to a different act. As we would say, using a colloquialism, it is a horse of another colour.

In the amendment which was withdrawn, an attempt was made to limit the use of this act in relation to corporate entities. It is a difficult thing to do. The minister knows that in recent years the Farm Credit Corporation, using its judgment, has made loans to what both he and I would consider to be economic units. I should like further assurance that it is still the intention of the government to lend money to farmers who are not yet operating economic units, so that they may be in a better position to compete within the industry.

Mr. Olson: I do not know how I can make the position more clear. I have answered that question in the affirmative three times. That is precisely what this part of the regulations means, and they are in effect.

Mr. Horner: Then why is the hon. gentleman changing the definition of "persons" and using the word "individuals" if it is the intention of the government to lend money in respect of non-economic units?

Mr. Olson: I did not altogether follow the question.

Mr. Horner: Why the change in the definition of "farmers" if it is the intention of the government to lend money to owners of non-economic units? What is the difference between "persons" and "individuals"?

Mr. Olson: It is a legal term, because corporations under law can be regarded as persons and we wanted to make sure that we were dealing here with individuals—two or three, as the case might be, applying for the grant. Therefore it is preferable to use the word "individuals" rather than "persons".

Mr. Horner: Would the minister give us some idea of what he considers to be an economic unit? Let him classify it in terms of gross income, or as net income, or in any other way. Let him just give us some idea of what he has in mind.

Mr. Olson: The hon. gentleman knows very well that I could not begin to define that, taking into consideration all the factors which are applicable in the different regions, or in the context of the various commodities produced across this country. It would take hours to make that kind of explanation. The field men of the Farm Credit Corporation are skilled in this work and have been doing a good job; they take into account the various conditions and regions in determining the size of unit which will return a decent living to the operator involved.

Mr. Horner: There have been suggestions from the government benches that two classes of farmers, small farmers and big farmers, are to be considered. This is clear from the quotations from the Prime Minister's speech in Winnipeg this year, to which I have drawn attention. The minister should clear up this question concerning the nature of economic units. He has told us the government is trying to help those who are farming non-economic units. Would he consider a net income of $4,500 a year to meet his definition? What would the gross figure be? Surely he must have some idea. Surely he should be bold enough to say: I shall not rest until all farmers in Canada have an income of such and such a figure, and I will do my utmost to ensure that

this bill helps toward that goal. I believe the minister should tell us clearly: I do not consider a farm to be an economic unit until it returns an income on such and such a level. Let the hon. gentleman make his position clear so that we may better understand what the Prime Minister meant in Winnipeg, and better understand what he refers to as an economic unit.

[*Translation*]

Mr. Godin: Mr. Chairman, in the last few days the Minister of Agriculture (Mr. Olson) has introduced for the Minister of Finance (Mr. Benson) a series of bills favourable or detrimental to the farmer, and one of those is Bill No. C-110.

Even though the ability of the present minister of Agriculture have never been questioned, I dare say that his way of piloting his bills ranks him among the four predominant figures of this house, even well ahead of the Prime Minister. (Mr. Trudeau). The Minister of Agriculture, as a head of family, has acquired a maturity which the present Prime Minister lacks. As you all know, the Minister of Agriculture is also a full-fledged businessman, because while the Prime Minister was travelling all over the world, the Minister of Agriculture was building a successful business in his own province, and the measly three years experience acquired in this house by the Prime Minister is more than compensated by the 11 years spent in this house by the honourable Minister of Agriculture, who does not have to learn about farming problems, as he is himself a farmer. However, in spite of all his knowledge, the bill proposed by the honourable minister creates a few problems. We are concerned about the bad effects the passing of this bill will have on the farm people.

It is unfortunate that the farmer has to be subjected, by a government which is on the payroll of the big financiers of the country, to a bill which will strangle the farmer and do away with him. For the farmer, producer of the food needed for the survival of human beings, there is no hesitation, after the elections, in introducing bills such as the one now before us. However, according to circumstances, it is possible to introduce other sorts of bills and for the purveyors of election campaign funds, there was no hesitation in getting passed bill C-191, entitled "An act to amend the Excise Tax Act."

[Mr. Horner.]

• (9:50 p.m.)

And for the information of the new members in this house, you might allow me, Mr. Chairman, to quote a few excerpts:

All the following:

Machinery and apparatus sold to or imported by manufacturers or producers for use by them—

A little further one reads:

—gasoline powered and diesel powered self-propelled trucks mounted on rubber-tired wheels for off-highway use exclusively at mines and quarries;

The Deputy Chairman: Order. I must remind the hon. member that he should confine his remarks to clause 1 of Bill C-110 under consideration, without referring to another bill recently passed by the house.

Mr. Godin: Mr. Chairman, I thank you for your remarks but I think it is important to point out to the newcomers the difference between the protection granted to companies which contribute to election funds and the way our farmers are treated.

Mr. Chairman, in view of the fact that we will have to know what profits the farmers will have to make in order to pay their taxes, I take the liberty of continuing the quotation:

—internal combustion tractors, other than highway truck tractors, for use exclusively in the operation of logging, such operation to include the removal of the log from stump to skidway—

are exempted from the 12 per cent federal tax.

Mr. Chairman, I would like to point out that the government is suggesting to its Minister of Agriculture unconditional loans, that is to say the farmers will not know now what interest rates they will be charged for the money they will have to borrow, for example to pay the sales tax on a third of the price of their tractors. It is not a secret for the farm machinery dealers—and the Minister of Agriculture is aware of it—that the farmers have to pay the 12 per cent federal tax on all the electrical system in their tractors, they have to pay the 10 per cent federal tax on what is called a grader. Those farmers who pay taxes on the purchase of farm equipment must think that they need profits to finance all that.

Farmers will have to borrow money to pay the sales tax on the hydraulic system, that is the system which feeds the plough, the harrow and all the other equipment. Mr. Chairman, the federal government sales tax also applies to that part of the tractor. It also applies to the pulley that is fastened to the tractor—the Minister of Agriculture (Mr.

Olson) knows what I am talking about—that pulley through which all the farm equipment is steered, whether it be the threshing machine or any other machine. The federal government sales tax of 12 per cent applies as well, I insist to the shovel which is used to load the grain, or fertilizer, or earth.

A while ago, I pointed out in Bill No. C-191, with which we are well acquainted, the following:

—pipes or tubes commonly known as "oil-country goods", being casing or tubing—

including accessories, all the material required for the development of natural gas and mining. For the development of the agricultural produce required to feed the population, if the farmer can get water by gravity for his cattle, for the house, his home, the 12 per cent tax applies to the pipes. Otherwise, if he needs a pump, again he has to pay the 12 per cent tax on the pump. For all these things I am sorry Mr. Chairman, but the farmer has to pay sales tax.

In election time, the big companies are freed from excise taxes, and sales taxes. The farmer is not allowed to fade into the background: he always has to pay taxes. While our woods companies develop our forests to their advantage and that of foreign financiers, the farmer must purchase trucks on which the federal sales tax will always apply. All this will push him deeper into debt. If he wants to expand, he will have to go into debt. Of course he is not obliged to borrow because nothing forces him to expand his farm, but when time comes to seed, to bring in the crop, if machinery breaks down, he has to borrow. I feel that the Minister of Agriculture should act now and delete Section 8, subsection 2, paragraph (1a) which reads as follows:

"(1a) The Governor in Council may from time to time by regulation prescribe the rate or rates of interest to be paid in respect of any loan made under this Act."

Mr. Chairman, I do not think this makes sense. I think the farmer should know where he is going. The farmer cannot think that he will always pay beyond his means. He has lived long enough on the depreciation of his buildings. He must now make little profit, otherwise it will be the end of agriculture. The bill under consideration is the best means, the most hypocritical, the quietest, and the most conventional one to enable the government to seize the land of our farmers. Farms were seized in Poland and in Russia by all sorts of means, but today, the way the government does it is so well presented that it is possible to forget it sometimes. It is really regrettable that one of ours should be forced to come to that, Mr. Chairman.

Ancient history teaches us all sorts of things, and, about treason, one recalls the story of Joseph who was sold by his brothers.

Mr. Chairman, I think it is time for the honourable minister to change his approach so as to prevent our young people and the coming generation to repeat or to think...

[*English*]

The Deputy Chairman: Order. It being 10 p.m. it is my duty to rise, report progress, and request leave to sit again at the next sitting of the house.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before we proceed with the late shows, could the government house leader indicate to all of us what the business is for tomorrow?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. The business tomorrow will be second reading and, we hope, committee stage of the bill to amend the Judges Act, to be followed by second reading stage of the drug bill.

Mr. Knowles (Winnipeg North Centre): And Thursday remains as announced some days ago?

Mr. Macdonald (Rosedale): Thursday remains as announced last Thursday.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order 39A deemed to have been moved.

CANADIAN NATIONAL RAILWAYS—VICTORIAVILLE, QUE.—PROPOSED ABANDONMENT OF PASSENGER SERVICE

Mr. André Fortin (Lotbinière): Mr. Speaker, it is unfortunate that many members should leave the house, because I think that all members should be interested in national matters. Mr. Speaker, I would like to draw your attention, as I have done, by asking the members on the other side of the house to give us the chance to fulfil our democratic obligation and to exercise our right to speak.

Thus, I revert to my speech which follows my comments of October 11.

I was then asking the Minister of Transport (Mr. Hellyer), if the unfortunate decision taken by the C.N.R. management that passenger service at Victoriaville would be discontinued completely, was irreversible.

Tonight, my remarks will be brief and especially directed to shed some light on a situation that has brought out a general outcry among the population of the area of Bois-Francs.

Unfortunately, Mr. Speaker, the minister was absent and you suggested that I put this question on the order paper. If I want to discuss it tonight, it is on account of the obvious urgency of the matter, because if I put it on the order paper, I would not get a reply until way after October 27.

Mr. Speaker, we know that this decision will be in force on October 27. That is a very serious matter. The Bois-Francs area, including the cities of Princeville, Arthabaska, Warwick and Victoriaville, as well as the rural and neighbouring regions, has a population of over 35,000. The whole area has a national reputation, I would say, thanks to the size of its manpower, its industry and its trade.

As a matter of fact, the Bois-Francs area is a furniture and textile centre. Its trade is extremely important. I wish to point out that the people there voted créditiste, but the increasing prosperity of the Bois-Francs area is now threatened because the road and communications network is out of date.

First of all, Mr. Speaker, Victoriaville is located about 100 miles from Montreal and the C.N.R. trains take over three and a half hours to cover the distance.

Secondly, Victoriaville is less than 75 miles away from Quebec City and there again, the Canadian National passenger service is absolutely unacceptable.

Thirdly, we have no direct junction line with the Trans-Canada highway, and it is not necessarily my intention to get elected to Quebec to acquaint them with the problem, as they are not even aware of it.

Mr. Speaker, I would like to say at this point that we are told that the Canadian National passenger services are uneconomical in Victoriaville. I would like to ask the minister or his representative what are the grounds for asserting that the services in Victoriaville are uneconomical. Is it because the present services are out-of-date and unsuitable? Is it because the people do not use them?

I believe it is a good reason for people not to use it; it is because the existing services are outmoded and inadequate.

Mr. Speaker, before removing such an essential service as that one in an area where railways are the only important means of communication, have the heads of the Canadian National Railways conducted a responsible and thorough inquiry with the people? What was their decision based upon? That is what I should like to know and what I am asking on behalf of the people, who want an answer without delay.

• (10:00 p.m.)

I am therefore asking first, that the minister order an inquiry if it has not yet been done, in order to clearly establish the economic viability or non-viability of this passenger transportation service.

Secondly, that the minister inquire about the possibility—and that is the point I am driving at—of improving that service, taking into account the needs of modern society.

Thirdly, it is not necessarily through the abandonment of all uneconomic services that an enterprise can necessarily be made a profitable one if beforehand—and I start from such a principle—we have not made sure whether the service could be made economic by improving and modernizing it.

Fourth, let the minister order the immediate revision of this most unfortunate decision which will certainly not promote the expansion and development of the region of Bois-Francs which has a most dynamic population.

Fifth, I would ask the minister to have a more modern railway station built, one better adapted to the needs of these areas, since the present one is falling in ruins.

Mr. Speaker, I shall conclude my remarks by maintaining that the C.N.R. should be there to serve the people and their interests. It must adapt its administrative policy to the present needs of our society; it must try to improve its services continually, whereas in Victoriaville, as elsewhere, services have in fact become worse. Since the C.N.R. is a Crown corporation, financed by the money of the taxpayers, it must serve the taxpayers and must be adapted in such a way that important regions such as that of Victoriaville are not neglected.

Mr. Speaker, on behalf of the population of this region very much affected by the decision which is to come into force of October

27th, I would appreciate some comments and a positive reply from the department, the minister or any other spokesman.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, we appreciate the interest shown in this matter by the hon. member when many people of the region of Victoriaville have heard that the Canadian National Railways intended to discontinue completely their passenger service in the region.

However, when we consider the situation, we hear that at no time have the Canadian National Railways proposed to discontinue their passenger service but rather that they anticipate a reduction in the service.

I may also add that because of the complaints that were received concerning the proposed reduction, the railway transport committee of the Canadian Transport Commission is now considering the situation. The result of their study and their recommendations will be available in the near future and the Minister of Transport (Mr. Hellyer) will be happy to report on the subject to the hon. member.

[*English*]

AGRICULTURE—DETERIORATION OF SITUATION ON THE PRAIRIES

Mr. John Burton (Regina East): Mr. Speaker, on Friday last I asked the Minister of Agriculture (Mr. Olson) the following question:

> —is the government carrying on consultations with the provinces and other interested parties to consider measures to alleviate the serious income problem now facing the prairie farmers and also to counteract the deteriorating crop conditions which are getting worse by the day?

The minister in his answer could only refer to the cash advances proposal of which the house is already aware.

Today the right hon. member for Prince Albert (Mr. Diefenbaker) also addressed a question to the Prime Minister (Mr. Trudeau) on this problem. The Prime Minister evaded an answer by referring the problem to the Minister of Agriculture and the Minister of Industry, Trade and Commerce (Mr. Pepin), both of whom were absent.

This crisis situation has developed over the past month as a result of unusually large amounts of rainfall and prolonged periods of inclement weather, which have prevented farmers from completing their harvest. The latest report of the Saskatchewan wheat pool states that 56 per cent of the harvest had been completed by October 4. Since that time there has been very little favourable weather. Over the past week end some districts received one inch of rainfall or more to add to the existing surplus of moisture.

The *Globe and Mail* today stated:

> At the end of last week... about one-quarter of the crop in Manitoba, more than one-third in Saskatchewan and two-thirds in Alberta remained in the field.

The lack of progress in harvesting has been felt most severely in the northern half of the agricultural area in Saskatchewan, in areas of Manitoba, and in most of Alberta. In most of these areas, reports indicate that from 25 per cent to 40 per cent of the crop has been harvested, compared to some 80 per cent in some southern areas. With short, cool days and a surplus of moisture, it is probable that a large number of farmers will have to leave part of their crops in the field over the winter.

In addition, many farmers have sizable carryovers of grain stocks from last year. Quotas ranged from five to six bushels and grain officials estimate that this year a five bushel quota is the most that can be expected, with more pessimistic estimates suggesting four bushels. The continuing tight international market situation shows no promise of change. Today's *Globe and Mail* comments:

> Farmers in the prairie provinces will have little spare money in the coming year. Farm income in the area is heading into a period of depression brought about by the combination of weakness in the world wheat market and crop damage from a wet harvesting season. "A lot of smaller farmers will be squeezed out this year," a Saskatchewan Wheat Pool official said in Regina.

Farm costs continue to rise at a level of 4 per cent to 5 per cent per year, while farm prices have dropped sharply. In particular, wheat prices dropped by some 22 cents per bushel in 1967 when farmers were left exposed during the period between the expiry of the old international wheat agreement and the beginning of the new international grains arrangement.

• (10:10 p.m.)

There are a number of measures the government might consider to alleviate the problem. True, the situation could improve somewhat before freeze-up, but it is now clear that much of the crop will stay out in the field, much of the crop being harvested is in tough or damp condition, and in numerous cases there are problems involved in moving tough and damp grain to drying facilities.

Some of the measures the government should consider include:

1. Special over-delivery quotas to enable tough and damp grain to move to terminals.

2. Special action to clear space at elevator points now plugged with dry grain, which prevents facilities being used to move tough and damp grain.

3. Special payments to farmers who are forced to leave part of their crop in the field.

4. Adequate co-ordination and control to ensure that drying facilities are used to the maximum, and to develop emergency facilities as needed.

5. Special depreciation allowances for storage and drying facilities.

6. A guaranteed price of $2.12 per bushel for No. 1 wheat, basis lakehead.

7. Effective back-up and support to the Canadian Wheat Board in dealing with the present difficult world market situation.

8. Action to control farm costs, including special action to control farm machinery costs and interest costs on borrowed money.

To deal with the serious problem facing prairie farmers, action must be taken now.

[*Translation*]

Mr. Florian Côté (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the hon. member for Regina East (Mr. Burton) will perhaps allow me to answer and to offer a few suggestions with regard to the problem he raises in the absence of the Minister of Agriculture (Mr. Olson) who is now on his way to Winnipeg in order to attend the first meeting of the National Grains Council. The minister will try solve problems.

Here, there is a slight difference between speech and deed. I feel the Minister of Agriculture understands quite well the problem set forth by the member for Regina East, and I should like to point out to him that last Friday, the Minister of Agriculture answered a similar question put by the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam). I shall quote the answer given by the minister to that hon. member:

> Mr. Speaker, there is a possible or a potential serious loss to the farmers of western Canada, but I think the hon. member will realize that until the harvest season is completed it would be difficult to ascertain what the loss will be.

That is before the harvesting is over.

> There are several days, perhaps even weeks, left this fall when much of this harvesting could be done, providing the weather turns better.

I feel it would be premature—and this is the gist of my reply—to attempt to determine losses at this time.

The hon. member must also be aware that western farmers have purchased for about $115 million worth of crop insurance and that the government's share amounts to 50 per cent of administrative costs and 25 per cent of premiums costs. Many other measures have been introduced in the advanced payments legislation, which is now before the house, as the hon. member has just said.

As regards other programs, all will depend on the circumstances and the hon. member will perhaps understand that the minister fairly tries to solve farm problems. He will also understand that, in conjunction with the provinces—

Mr. Speaker: Order.

[*English*]

The parliamentary secretary's time has expired.

Motion agreed to and the house adjourned at 10.17 p.m.

HOUSE OF COMMONS

Wednesday, October 16, 1968

The house met at 2.30 p.m.

THE BUDGET

TABLING OF BUDGETARY PAPERS

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I wish to table copies in English and in French of the usual budgetary papers. I would ask the consent of the house to have the papers printed as an appendix to today's *Hansard.*

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: For text of papers referred to, see appendix A.*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FRENCH VERSION OF B.N.A. ACT

Question No. 13—**Mr. Caouette:**

Is the government taking any measures to provide an official French version of the British North America Act and, if so, when will such version be available?

[*Translation*]

Hon. John N. Turner (Minister of Justice): While there is in use in Canada a generally recognized and accepted official translation of the British North America Act passed by the Parliament of the United Kingdom in 1867, an official French version of the original Act of 1867 could, under the present constitution of Canada, only be provided by formal legislative action on the part of the Parliament of the United Kingdom. This would apply equally to the various amendments to the Act from 1867 to the present, except, of course, those amendments that by virtue of head 1 of section 91 or head 1 of section 92 may be enacted by the Parliament of Canada or by the legislatures of the provinces without recourse to the United Kingdom Parliament. Thus the amendment to the British North America Act that was enacted by the Parliament of Canada in 1965 relating to the retirement age of senators was enacted in both official language versions, English and French.

More recently, where an agreement requiring legislative implementation has been entered into between the Government of Canada on the one hand and the Government of the United Kingdom on the other hand, the agreement has been executed in both languages, both texts being stated to be equally authentic, and has been sanctioned accordingly in that form not only by our own Parliament but also by the Parliament of the United Kingdom. See for example the Canada-United Kingdom Income Tax Agreement approved by chapter 14 of the Statutes of 1966-67. The intention of the Government of Canada is to continue this practice, and to seek to extend it to whatever future legislation the Parliament of the United Kingdom may be requested to enact relating to Canada and its constitution.

[*English*]

CHANGES IN STAMP DESIGN

Question No. 28—**Mr. Harkness:**

1. How many changes in the design of the five-cent Canadian postal stamp have been made during the past year?

2. What is the average cost for designing, printing, etc., when making a change in the stamp?

3. What is the estimated extra return to the Post Office, if any, as the result of making a stamp change?

Hon. Eric Kierans (Postmaster General): 1. Ten, including the current 5 cents definitive stamp and the 5 cents Christmas stamp.

2. The current 5 cents definitive stamp was designed in conjunction with the 1 cent, 2 cents, 3 cents, and the 4 cents series at a total cost of $3,400. The cost of printing the 5 cents definitive stamp will depend on the duration of the period during which it will be in use. The 5 cents Christmas stamp was

designed in conjunction with the 3 cents Christmas stamp. The cost for the two designs was $1,100. The 5 cents Christmas stamp had an extended period of sale during which it replaced the regular 5 cents stamp. Approximately one hundred million Christmas stamps were required, the printing cost of which was $26,813. The average cost of manufacturing the required quantity of the stamps of each commemorative issue is $16,000. The average cost of designing the 5 cents commemorative stamps is $700.

3. The extra return to the post office as a result of introducing the current design of 5 cents definitive stamp and the 5 cents (1967) Christmas stamp will not be known until the philatelic sales of each will have been discontinued. The extra return to the post office as a result of issuing the 5 cents commemorative stamps is estimated at $39,500 for each commemorative issue.

RECIPIENTS OF TECHNICAL TRAINING

Question No. 50—**Mr. Diefenbaker:**

How many persons by provinces have received technical training under the Technical and Vocational Training Assistance Act, year by year, since 1st January, 1963?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Under the Technical and Vocational Training Assistance Act the following number of persons received training since 1962. The act was repealed in 1967.

Province	Fiscal Year 1962-63	1963-64	1964-65	1965-66	1966-67
Nfld.	1,012	2,957	5,213	5,821	8,856
P.E.I.	196	431	728	862	1,133
N.S.	2,153	3,037	3,789	5,168	11,134
N.B.	5,417	5,552	4,479	4,728	8,256
Que.	18,963	41,562	43,645	50,419	80,976
Ont.	27,643	37,077	46,764	72,037	117,568
Man.	3,745	5,337	8,654	10,488	14,771
Sask.	2,667	4,859	6,682	8,551	12,382
Alta.	8,740	13,104	14,324	16,980	22,631
B.C.	5,422	10,226	14,590	16,281	20,563
Y.T.	—	159	350	258	276
N.W.T.	59	129	195	497	164
Canada	76,017	124,430	149,413	192,090	298,710

The training of the above persons was subsidized by the federal government on a cost shared basis, the federal contribution ranging from 50 per cent to 90 per cent of the total cost. In addition, the federal government contributed toward vocational high school programs at a fixed maximum yearly rate of $3 million.

The data refer to persons attending classes during a particular fiscal year. As the course of study of many of these persons fell into two or even three fiscal years, accumulation of the annual data would result in double counting.

RELIEF SUPPLIES FOR NIGERIA

Question No. 69—**Mr. Brewin:**

1. What proportion of the allocation of $500,000 announced by the Prime Minister on July 31, 1968 for the provision of emergency supplies from Canada for relief of the area of Nigeria affected by hostilities has been expended?

2. What supplies have in fact been sent to Nigeria?

3. What portion of such supplies has been actually used in the area affected by the hostilities for the relief of the victims?

4. Is it contemplated that further allocations will be made?

5. What steps have been taken by the Canadian Government to remove obstacles to adequate distribution of Canadian and other supplies to the victims of the Nigerian hostilities?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Approximately $50,000 has been disbursed. (See also answer to question 4 below regarding expenditure commitments.)

2. Drugs, vaccines, antibiotics and dried salted codfish have been sent.

3. All the supplies have been used.

4. An additional allocation of $500,000 was announced by the Prime Minister on September 17. $875,000 has been committed to orders for additional shipments of fish and $75,000 for freight and wharfage charges.

5. The Canadian government has supported the efforts of the international committee of the Red Cross to arrange for delivery corridors into the areas of greatest need from outside distribution points. This support has included diplomatic interventions with the federal Nigerian government and public appeals to the Biafran authorities, with whom Canada has no official relations.

MANPOWER PLACEMENT SERVICES

Question No. 88—**Mr. McCleave:**

1. What were the total placements by the National Employment Service and its successor, the Department of Manpower and Immigration in 1965, 1966 and 1967?

2. How many vacancies were notified to such offices by employers in each of those years?

3. How many persons were employed on the staff of such offices in each of those years?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Recorded placements were: 1,257,700 for 1965; 1,166,300 for 1966; 1,071,700 for 1967.

2. Registered vacancies were: 1,634,700 for 1965; 1,544,200 for 1966; 1,435,800 for 1967.

3. Staff: 4,904 as of April 1, 1965; 5,089 as of April 1, 1966; 5,288 as of April 30, 1967.

The data on staff for all three years include employees of regional and Ottawa headquarters as, for the years 1965 and 1966, it was not possible to segregate the field staff from the total staff of the organization which existed then. Moreover, it is important to note that these data are not comparable in meaning over the period as the manpower services being provided changed considerably. Emphasis shifted from the operation of a simple placement service to the provision of a range of manpower services which include referral to training courses (these totalled 294,000 in the fiscal year 1967-68), manpower mobility grants (these totalled 28,547 in 1967-68), more extensive labour market and job vacancy information, and fuller employment counselling.

BELL ISLAND HOUSING AND MANPOWER PROGRAMS

Question No. 112—**Mr. McGrath:**

1. What is the total expenditure to date by the Atlantic Development Board under the Bell Island Special Housing Assistance Program?

Questions

2. What is the total expenditure to date and how many persons have been moved from Bell Island under the Manpower Mobility Program for Bell Island?

Hon. Donald S. Macdonald (President of the Privy Council): I am informed by the Departments of Forestry and Rural Development and Manpower and Immigration as follows: 1. $284,625.

2. From the inception of the program on December 28, 1965, to September 23, 1968, this department authorized a total of $431,549 for the purpose of moving workers from Bell Island. This expenditure relates to 440 workers with 1,314 dependents.

WINTER WORKS EXPENDITURES LOTBINIÈRE CONSTITUENCY

Question No. 165—**Mr. Fortin:**

1. In the years 1962-63-64-65-66-67-68, how much did the government spend on the Winter Works Program in the federal constituency of Lotbinière?

2. How much was spent in each parish?

[*Translation*]

Mr. Gérard Loiselle (Parliamentary Secretary to the Minister of Manpower and Immigration): 1.

Program Year	Claims Paid $
1961-62	179,473.23
1962-63	198,168.88
1963-64	173,114.09
1964-65	168,287.74
1965-66	223,627.32
1966-67	115,084.57
1967-68 to Sept. 20, 1968 (a substantial number of claims are still outstanding)	29,142.70

Municipality	Claims Paid from 1961-62 to September 20, 1968 $
Arthabaska	46,291.55
Daveluyville	9,817.36
Deschaillons	13,906.34
Fortierville	4,474.92
Laurier Station	4,295.67
Lemieux	20,912.42
Les Becquets	3,878.53
Maddington	10,174.03
Manseau	3,914.04
Norbertville	993.37

Questions

2.

Municipality	Claims Paid from 1961-62 to September 20, 1968 $
Notre Dame du Sacré Coeur D'Issoudun	28,788.13
Princeville	33,186.21
Val Alain	24,606.75
Victoriaville	227,209.41
Villeroy	34,088.29
Warwick (town)	3,319.27
Warwick (township)	1,736.14
Ste Anne du Sault	23,572.25
St Antoine de Tilly	28,044.88
Ste Cécile de Lévrard	5,596.34
St Christophe D'Arthabaska	2,894.19
Ste Croix (parish)	36,918.67
Ste Croix (village)	26,447.60
St Edouard de Lotbinière	21,901.74
Ste Elizabeth de Warwick	160.12
Ste Emmelie	22,203.25
Ste Eulalie	8,301.71
St Flavien (parish)	29,262.35
St Flavien (village)	7,615.76
Ste Françoise	49,136,20
St Jacques de Horton	1,196.42
St Jacques de Parisville	22,081.96
St Janvier de Joly	29,556.15
St Joseph de Blandford	25,175.84
St Louis de Blandford	16,284.57
St Louis de Lotbinière	23,950.62
Ste Marie de Blandford	12,812.02
St Octave de Dosquet	55,204.92
Ste Philomène de Fortierville	44,305.70
St Pierre les Becquets	12,430.66
St Rosaire	25,963.58
St Samuel	16,475.40
Ste Sophie de Lévrard	25,763.40
St Sylvère (parish)	23,304.76
St Valère	18,745.04

[*English*]

HIGHWAYS INTO INDIAN RESERVES

Question No. 177—**Mr. McCleave:**

1. Does the federal government take responsibility for the building and maintenance of highways into Indian reserves and, if so, on what arrangements, if any, with other levels of government?

2. If the federal government has such a policy, are there plans to widen and/or pave the road into the Shubenacadie Indian Reserve?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The federal government does not take responsibity for the building and maintenance of highways into Indian reserves, however in certain cases, the department may negotiate for construction and maintenance of access roads to Indian reserves with the provincial or municipal authorities. The negotiations are based on the extent to which the reserve is expected to use the road in proportion to the use to be made of the road by residents off the reserve.

2. A portion of the road continuing through the Shubenacadie Indian reserve was widened and built up in 1967, for a distance of 3.5 miles. The department plans to apply and compact a layer of fine gravel on the road during the current construction season, and next year it is planned to seal coat the road. The department of highways, province of Nova Scotia, are responsible for and have paved the road into the reserve up to the reserve boundary line.

ADMINISTRATION OF INDIANS AND ESKIMOS, QUEBEC

Question No. 187—**Mr. Laprise:**

1. Is the transfer of the federal administration of New Quebec to the Government of the Province of Quebec still continuing?

2. Have the Indians and Eskimos of that region been consulted and, if so (a) in what manner (b) what was the reply?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. There has been no transfer of powers with respect to Indians and Eskimos from the federal government to any provincial government.

2. The policy of the federal government is to try to make it possible for Indians and Eskimos to receive services provided by departments and agencies of the provincial government to all other residents in the province. In pursuit of this policy, consultation with the Indian and Eskimo people affected is an essential and basic element. In Quebec the province has begun to extend services in recent years to the more remote and northern areas where previously only federal services have been available. As these provincial services become established there are opportunities for Indians and Eskimos, both as individuals and as entire communities, to participate. Federal services are continued so long as there is a demand and a need for them by the Indian and Eskimo people.

MONEY IN CIRCULATION

Question No. 194—**Mr. Latulippe:**

What was the amount of money in circulation (a) in coins (b) in bank bills (c) total money supply in Canada, on October 31, 1934, 1944, 1954, 1964, 1967, and on July 31, 1968?

Hon. E. J. Benson (Minister of Finance): (a), (b) and (c):

(Millions of Dollars)	Currency Outside Banks Coin	Notes	Total Canadian Dollar Deposits at Chartered Banks plus Currency Outside Banks
At Oct. 31, 1934	27	161	2,140
" " " 1944	58	914	5,690
" " " 1954	96	1,360	10,374
" " " 1964	222	1,988	17,494
" " " 1967	326	2,392	24,182
" July 31, 1968	359	2,535	26,330

COST OF BOND ISSUE

Question No. 196—**Mr. Latulippe:**

What was the cost of the issue of Government Bonds in the amount of $500,000,000 as advertised in newspapers of September 15, 1968, for delivery on October 1, 1968, and bearing interest of 6%, 6¼% and 6½% (a) for brokers' fees (b) for newspaper advertising (c) for lawyers' fees (d) for other expenses (e) for printing of the Bonds?

Hon. E. J. Benson (Minister of Finance): The amount of the government of Canada loan dated October 1, 1968 was set by the Minister of Finance at $535,000,000. The costs incurred under each of the specified categories are as follows: (a) $1,454,082.00; (b) $20,018.80; (c) nil; (d) $19,931.17; (e) $37,622.50.

SPECIAL CLAIMS, NORTHERN ONTARIO PIPE LINE

Question No. 205—**Mr. Schreyer:**

1. Subsequent to the construction of the Northern Ontario Natural Gas Pipeline, were any special claims submitted to the government of Canada by contractors involved in the construction thereof?

2. If so (a) were any of these claims accepted as valid and consequently paid (b) what were the amounts of special payment in each of these cases (c) was Treasury Board approval obtained in each case?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. Yes.

2. (a) Yes. (b) $6,681.68; $17,956.40; $420,222.38; $65,243.00; $692,496.01; $112,950.00. (c) Yes.

Note: While the government of Canada initially paid these claims, all these payments were recognized costs of the pipeline and reimbursement therefor was made to the government of Canada by Trans-Canada Pipe Lines Limited.

CANADIAN DELEGATION TO UNITED NATIONS

Question No. 214—**Mr. Schreyer:**

1. What was the cost to the Government of Canada for the maintenance of the Canadian Delegation at the 22nd Session of the United Nations General Assembly?

2. What was the size of the Canadian Delegation?

3. How many persons on this Delegation were recruited from outside of the Canadian Civil Service and the Parliament of Canada?

4. What was the cost to the Government of Canada (showing both emolument and expense allowance) of maintaining each of them in New York during the 22nd Session of the U.N. General Assembly?

5. What is the budgetary allowance for 1968 to cover the cost of maintaining the Canadian Delegation at the 23rd Session of the United Nations General Assembly and, specifically, what is budgeted to cover the cost of maintaining those members of the Canadian Delegation who are not members of the Canadian Civil Service?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. $158,090.

2. The official delegation, approved by cabinet, comprised a chairman, a vice-chairman, three representatives, and five alternates. The delegation was assisted by advisers from the Departments of External Affairs and Finance and administrative support staff. Also attending for periods of approximately two weeks each were twenty eight parliamentary observers.

3. Two.

4. No emoluments were paid. Travel expenses for a period of 90 days, including accommodation and meals, were $4,971.33 and $4,813.62, respectively.

5. $175,000. It has been estimated that $22,000 will be required out of the 1968 budgetary allowance for five members of the delegation who are not members of the Canadian public service.

Questions

BEEF, PORK AND EGG IMPORTS

Question No. 224—**Mr. Gauthier:**

1. Did Canada import beef during the years 1965, 1966 and 1967 and, if so (a) from what countries (b) how many pounds in each case?

2. Did Canada import pork during the years 1965, 1966 and 1967 and, if so (a) from what countries (b) how many pounds in each case?

3. What quantity of eggs was imported in Canada from the United States during the years 1965, 1966 and 1967?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: 1. Yes. Imports of beef into Canada were as follows: 1965, 27,081,928 pounds; 1966, 33,315,196 pounds; 1967, 50,571,949 pounds. (a) and (b) Detailed import statistics by country and dollar value for each of the countries for beef are recorded in the following import commodity classifications, which may be found in the December issues of the Dominion Bureau of Statistics publication "Imports by Commodity", (catalogue #65-007), which is available in any public library or the Library of Parliament: 1965—classes 11-09, beef and veal, fresh or frozen; 13-09, beef, cured (including salted); 17-03, corned beef, canned; 17-09, beef and veal, canned n.e.s.; 1966 and 1967—classes 11-04, beef, fresh or frozen, boneless; 11-05, beef, fresh or frozen, n.e.s.; 11-08, veal, fresh or frozen; 13-09, beef, cured (including salted); 17-03, corned beef, canned; 17-09, beef and veal, canned, n.e.s.

2. Yes. Imports of pork into Canada were as follows: 1965, 36,605,800 pounds; 1966, 36,493,000 pounds; 1967, 27,839,800 pounds.

(a) and (b) Detailed import statistics by country and dollar value for each of the countries for pork are recorded in the following import commodity classifications, which may be found in the December issues of the Dominion Bureau of Statistics publication "Imports by Commodity", (catalogue #65-007), which is available in any public library or the Library of Parliament: 1965—classes—11-29, pork, fresh or frozen; 13-29, pork, cured (including salted); 1966—classes—11-22, pork bellies, fresh or frozen; 11-24, hams, not cured or cooked; 11-26, pork shoulders, picnics and butts, fresh or frozen; 11-28, pork spare ribs, fresh or frozen; 11-29, pork, fresh or frozen n.e.s.; 13-20, pork backs, cured; 13-21, bacon, cured; 13-26, pork shoulders, picnics and butts, cured; 13-29, pork, cured, n.e.s.; 1967—classes—11-22, pork bellies, fresh or frozen; 11-24, hams, not cured or cooked; 11-25, pork shoulders, picnics and butts, fresh or frozen; 11-28, pork spare ribs, fresh or frozen; 11-29, pork, fresh or frozen n.e.s.; 13-20, pork backs, cured; 13-21, bacon, cured; 13-25, pork shoulders, picnics and butts, cured; 13-29, pork, cured, n.e.s.

3. The quantity of eggs imported into Canada from the United States during the years 1965, 1966 and 1967 is as follows:

Class	1965	1966	1967
53-19—eggs in the shell (dozens)	3,898,778	9,567,647	11,922,638
53-59—eggs, whole, yolk or albumen, dried (pounds)	334,783	238,480	268,514
53-69—eggs, whole, yolk or albumen, frozen or otherwise prepared n.e.s. (pounds)	105,325	2,424,380	1,863,560

FEDERAL CONTRIBUTIONS TO WINTER WORKS, ROBERVAL CONSTITUENCY

Question No. 229—**Mr. Gauthier:**

1. How much has the federal government contributed toward winter works in the constituency of Roberval?

2. What sums were received by each municipality in this constituency?

Mr. Gérard Loiselle (Parliamentary Secretary to the Minister of Manpower and Immigration): 1. $7,901,074.16 to September 25, 1968 (some claims are still outstanding).

[Mr. Sharp.]

2.

Municipality	Claims Paid to Sept. 25, 1968 (some still outstanding)
Albanel	266,858.54
Albanel village	24,194.85
Chambord	207,916.15
Dolbeau	779,993.55
Girardville	154,704.92
Lac Bouchette	135,794.24
Mistassini	833,828.17
Normandin	314,878.43

Municipality	Claims Paid to Sept. 25, 1968 (some still outstanding)
Normandin village	215,538.73
Notre Dame de la Doré	138,036.05
Notre Dame de Lorette	89,056.44
Roberval parish	197,456.00
Roberval city	974,488.09
St. André parish	56,738.49
St. André village	105,271.77
St. Edmond	155,030.43
St. Eugène	287,548.74
St. Félicien parish	168,852.88
St. Félicien town	668,266.79
St. François-de-Sales	264,849.22
St. Hedwidge	163,524.89
St. Louis-de-Chambord	268,343.20
St. Méthode	192,995.19
St. Michel-de-Mistassini	314,764.51
St. Prime	333,884.33
St. Prime village	47,090.66
St. Stanislas	269,696.71
St. Thomas-d'Aquin	106,890.88
St. Thomas-Didyme	164,581.31

[*English*]

REVENUE FROM ALCOHOL—EXPENDITURES TO COMBAT ALCOHOLISM

Question No. 251—**Mr. Mather:**

1. What was the tax revenue, in dollars, received by the federal government in 1967 as a result of the sale of alcoholic beverages?

2. What was the amount, in dollars, expended by the federal government in combating alcoholism in Canada?

Hon. Donald S. Macdonald (President of the Privy Council): I am informed by the Departments of National Revenue and National Health and Welfare as follows: 1. $296,574,613.16.

2. A grant of $15,000 is made annually to the Canadian Foundation on Alcoholism.

Note: Revenue from Federal sales tax is not segregated by commodities and is not included in the above total. Revenue figures are for the fiscal year ending March 31, 1968.

TOBACCO REVENUES—EXPENDITURES ON HEALTH EDUCATION

Question No. 252—**Mr. Mather:**

1. What was the tax revenue, in dollars, received by the federal government in 1967 as a result of the sale of tobacco products?

2. What was the amount, in dollars, expended by the federal government on combating cigarette-induced disease and/or on smoking and health education?

Hon. Donald S. Macdonald (President of the Privy Council): I am informed by the Departments of National Revenue and National Health and Welfare as follows: 1. $461,266,414.93.

2. During the fiscal year 1967-68 the Department of National Health and Welfare expended $200,389 on a program aimed at the reduction of cigarette smoking and smoking related diseases among Canadians.

Note: Revenue from federal sales tax is not segregated by commodities and is not included in the above total. Revenue figures are for the fiscal year ending March 31, 1968.

FISHERIES ASSISTANCE, PRAIRIE REGION

Question No. 263—**Mr. Schreyer:**

What financial assistance, if any, has been extended under the terms of the Fisheries Development Act for the purpose of construction and equipping, repair or alteration of storage facilities and of fishing vessels used in the inland freshwater fishing industry of the prairie region?

Mr. E. J. Whelan (Parliamentary Secretary to Minister of Fisheries): One application for cold storage facilities approved but not yet paid; the estimated subsidy is $41,666.

CORPS OF COMMISSIONAIRES, CALGARY AIRPORT

Question No. 270—**Mr. Woolliams:**

1. In reference to the Calgary International Airport, are the Commissionaires paid their salary by the Government of Canada?

2. Does the federal government make a contribution to the Corps of Commissionaires in Calgary in respect of salaries paid to Commissionaires and, if so, how much?

3. How much does the Corps of Commissionaires in Calgary receive in respect of the cost of administration purposes, and how much is retained in reference to the hourly wage?

4. Are there any regulations governing the wages paid to Commissionaires at the said Calgary Airport and, if so, what are they?

Hon. Paul Hellyer (Minister of Transport): 1. The commissionaires' salaries are paid by the government of Canada.

2. The federal government makes contributions to the corps of commissionaires by way of a basic hourly rate of pay for commissionaires which is $1.60 at Calgary.

3. In addition to the basic hourly rate of $1.60, a further $0.17 per hour is paid in respect of the cost of administration.

Questions

4. Regulations governing the wages paid to all commissionaires, including those at Calgary, are set down in T.B. 649495 of December 30, 1965.

HOUSING TASK FORCE MEETINGS, WESTERN QUEBEC

Question No. 274—**Mr. Clermont:**

Has the federal government task force on housing and rural development scheduled public meetings in the region of Western Quebec?

Hon. Paul Hellyer (Minister of Transport): The federal government task force on housing and urban development plans to hold public hearings in Hull, Quebec some time in late November, the exact time and place yet to be determined.

CONSTRUCTION OF C.B.C. MONTREAL BUILDING

Question No. 281—**Mr. Dinsdale:**

1. What was the date for the closing of tenders for Place Radio in Montreal announced by the Secretary of State?

2. Has there been a delay in opening these tenders and, if so (a) what is the new deadline, and (b) what is the reason for this delay?

3. When will construction get underway on this project, and (a) what is the target date for completion (b) what is the estimated total cost of the project?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: 1. The date for closing of tenders, as originally established by the corporation, was August 30, 1968.

2. Yes. The closing date of August 30 was changed to October 1 at the request of the contractors who explained that additional time was required to complete their bids because of the complexity of the project.

3. It is expected that construction will begin this December, subject to order in council approval. The target date for completion and occupancy remains unchanged, i.e., 1972. Estimated total cost of the project is $66,200,000.

LANDING STRIPS, ABITIBI CONSTITUENCY

Question No. 285—**Mr. Laprise:**

1. How many landing strips are in use in the constituency of Abitibi and where are they located?

2. How many landing strips are under construction and at what locations?

[Mr. Hellyer.]

Hon. Paul Hellyer (Minister of Transport): 1. There are 10 landing strips available for use in the constituency of Abitibi. Their locations are, Amos (private); Asbestos Hill; Cape Jones; Deception Bay; Esker; Fort George; Inoucdjouac; La Sarre; Poste-De-La-Baleine; Povungnituk.

2. Three landing strips are known to be under construction at Amos (municipal), Nitchequon and Raglan.

PAYMENTS TO PROVINCES UNDER MEDICARE

Question No. 288—**Mr. Harding:**

1. What is the estimated total cost to the federal government of payments to the provinces under the federal Medicare Plan for the present fiscal year?

2. What provinces, to date, have come under the federal Medicare Plan, and what is the estimated payment to each for the present fiscal year?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The revised estimated payments by the federal government to the provinces under the federal Medical Care Act in the fiscal year 1968-69 will be $32,966,100. This figure will be further adjusted at the close of the present fiscal year.

2. The provinces of Saskatchewan and British Columbia have participated in the medical care program since July 1, 1968. The estimated payments to these two provinces in the present fiscal year are: Saskatchewan, $11,296,800; British Columbia, $21,669,300.

GRINDING OF OBSERVATORY MIRROR BLANK

Question No. 293—**Mr. Anderson:**

1. Has the government abandoned its plan to sell the 158 inch mirror blank originally purchased for the Queen Elizabeth II Observatory?

2. What steps have been taken to find alternate employment within the Department of Energy, Mines and Resources or at a Canadian University for the highly skilled team of opticians assembled to grind and polish the Queen Elizabeth II Observatory mirror blank?

3. Are these men still employed by the Department of Energy, Mines and Resources?

4. On what date will their employment terminate?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. The eventual use of the 157 inch mirror blank is still under consideration.

2. None.

3. Yes.

4. There has been no decision taken to release the optical employees referred to above.

TENDERS FOR REPLACEMENT FOR C.C.G.S. "ESTEVAN"

Question No. 294—**Mr. Anderson:**

1. Does the government intend to proceed with the plans announced on June 19, 1968 by the Minister of Transport to replace the CCGS *Estevan*?

2. If so, when will invitations to submit bids on this ship be issued?

3. Will bidding be restricted to west coast shipyards as the Minister of Transport announced on June 19?

Hon. Paul Hellyer (Minister of Transport): 1, 2 and 3. Decision to restrict tenders for any replacement of C.C.G.S. *Estevan* to west coast shipyards, as previously announced, has not been changed. However, budgetary considerations required a review during the summer of coast guard shipbuilding program priorities. Also, the results of an operations research study on coast guard vessel use, initiated earlier, became available and suggested that the marine work of the coast guard on the west coast could be handled to the same standard of service through the use of new techniques and programming of ships and other vehicles without the present replacement of the *Estevan*. Therefore, for the present, this project has been set aside.

CHARTER OF STEAMSHIP "CABATEAL"

Question No. 301—**Mr. Dumont:**

Did any government agency charter the ship *Cabateal*, registered in the Bahamas whose crew is Spanish and agent is "Transworld Shipping", to transport cargo to the Canadian East Arctic?

Hon. Paul Hellyer (Minister of Transport): As a result of a tender call, a contract was awarded to a Canadian company, Transworld Shipping for employment of the vessel *Cabateal* in connection with Arctic supply work this summer. No suitable Canadian vessel was offered as the *Federal Pioneer* (Canadian) the only other 10,000 ton ship offered was chartered for the Dew line. The *Cabateal* is a vessel of Bahamian registry. The Department of Transport does not have detailed knowledge of the composition of the crew, but it is understood that the captain is of Canadian nationality and the chief engineer is of British nationality.

EMPLOYMENT OF FORMER HUDSON BAY COMPANY PERSONNEL

Question No. 306—**Mr. Dumont:**

How many persons, formerly employed by the Hudson Bay Company, were hired by the Department of Indian Affairs and Northern Development in 1965-66-67-68?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1965-66, 11; 1966-67, 15; 1967-68, 19.

SALE TO CUBA OF TUNA FISHING SHIPS

Question No. 308—**Mr. Crouse:**

1. Are negotiations under way for export credit financing from a Canadian tuna company in connection with the possible sale of five modern Canadian tuna fishing vessels to Cuba?

2. If so, what are the details of this proposal?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Export Credits Insurance Corporation reports that: 1. It has not been approached by a Canadian tuna company in that connection.

2. N/A.

CONSTRUCTION OF ASTROPHYSICAL LABORATORY IN SAUDI ARABIA

Question No. 309—**Mr. Anderson:**

1. Has the Department of Trade and Commerce received inquiries from Saudi Arabia concerning the construction of an astrophysical observatory in that country by a Canadian firm or firms?

2. If so, is it still the intention of the Department of Trade and Commerce to continue with these negotiations?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. No. However, knowledge of this telescope project was obtained by a Canadian firm working in Saudi Arabia. This firm, along with others, received official confirmation and information on the status of the project from the Saudi Arabian authorities through our Beirut office.

2. While we have not entered into any negotiations, the department stands ready to assist these Canadian firms.

CONTROL OF BUD WORM INFESTATION, NEW BRUNSWICK

Question No. 326—**Mr. Flemming:**

1. Has the Government of Canada received representations from the Government of New Brunswick and/or the forest products industry of that Province relative to the serious condition of the forests of New Brunswick which many knowledgeable people consider is caused by a recurrence of budworm infestation?

2. If so, is it the intention of the Government of Canada to co-operate with the Province and private industry in their campaign to maintain the condition of this most vital natural resource?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): No.

2. Not applicable.

Questions

ACCESS ROAD TO FORT RODD PARK

Question No. 330—**Mr. Anderson:**

1. What was the total cost of the new access road from the Island Highway near Colwood, B.C. to Fort Rodd National Historic Park?

2. Who were the contractors engaged to build the road and what was each contractor paid?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The contract for the new access road was included with the construction of a parking lot for visitors to Fort Rodd Hill national historic park.

2. Wakeman and Trimble Contractors Ltd. Payment certificates totalling $152,587.98 are presently being processed.

INFORMATION SERVICES DIRECTOR, FORESTRY DEPARTMENT

Question No. 333—**Mr. McCleave:**

1. Who is the Director of Information Services for the Department of Forestry and Rural Development?

2. What are his qualifications and what is his salary?

3. Was he appointed as the result of a Public Service Commission competition and if not (a) for what reasons (b) in what manner?

4. Does he hold shares in any public relations or advertising companies?

5. How many employees does he supervise?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. Pierre A. Forget.

2. Mr. Forget has had 19 years' experience in the information field, including 15 years with the Bell Telephone Company of Canada, and was director of information services division of the Canadian Corporation for the 1967 World Exhibition. His present salary is $17,236.

3. Yes. P.S.C. Competition 67-310.

4. No.

5. 28.

PILOTAGE COMMISSION LEGAL ASSISTANCE

Question No. 339—**Mr. McCleave:**

1. What legal fees have been paid by the Royal Commission on Pilotage to its counsel since November 1, 1962?

2. What individuals outside government employ were retained as counsel and what were their fees and expenses?

3. Has the counsel work been completed?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): I am informed by the royal commission on pilotage as follows: 1. The legal fees paid by the royal commission on pilotage to its counsel for the period November 1, 1962 to August 31, 1968 total $72,250.

2. Mr. Maurice Jacques of Quebec city was the only person outside government employ whose services were retained as counsel for the commission. The total fees paid to him were as stated in 1 above, while the travelling expenses paid to him during the same period total $16,006.08, approximately half of which is for transportation.

3. Subject to occasional verification of draft texts for the final report of the commission, counsel work may be considered completed.

STUDY OF HEARING AIDS

Question No. 341—**Mrs. MacInnis (Vancouver-Kingsway):**

1. Is the government now conducting a study concerning hearing aids?

2. If so (a) when will it be made available (b) when will the report be made available to the public?

3. If not, will the Minister of Consumer and Corporate Affairs initiate such a study this Session?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. Yes. The Department of Consumer and Corporate Affairs decided last year to proceed with a research inquiry into hearing aids.

2. (a) Early in 1969. (b) Under section 6(2) of the Department of Consumer and Corporate Affairs Act the minister may undertake research into matters to which the powers, duties and functions of the minister extend and publish so much of the results of any such research as he deems appropriate and in the public interest. It is not the intention to make public the internal report but consideration will be given to publishing the recommendations.

3. Not applicable.

REVIVAL OF QUEEN ELIZABETH OBSERVATORY PROJECT

Question No. 344—**Mr. Anderson:**

Has the government entered into negotiations with a number of Western Canadian university scientists on the possibility of reviving the Queen Elizabeth II Observatory project?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): No.

*RIVERS, MAN.—DELEGATION RESPECTING ARMED FORCES BASE

Question No. 353—**Mr. Stewart (Marquette):**

1. Did the Minister of National Defence meet with a delegation of concerned citizens from Manitoba on August 27, 1968, with respect to the future role of the Canadian Forces Base at Rivers, Manitoba and if so, did the Minister inform the delegation that the Defence Committee had recommended the closing of the Rivers Base?

2. Was any other Minister present during the meeting?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, the answer to part 1 is yes. I met with a delegation from Manitoba on Tuesday, August 27, 1968. I did not tell the delegation that the defence committee had recommended the closing of the Rivers base. I did say that the whole question of base consolidation was under study and that this subject would be discussed at defence council at some future date.

The answer to part 2 is no.

NEGOTIATIONS WITH ONTARIO FOR NATIONAL PARK

Question No. 357—**Mr. Dinsdale:**

1. Is the government negotiating with the Province of Ontario with a view to establishing a National Park in that Province and, if so, what area is under consideration?

2. When is it expected that an agreement will be reached?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The studies are continuing between officials of the department and provincial officials with a view to establishing a national park in the area of the Canadian shield.

2. The province is studying the matter and we are awaiting their decision.

POST OFFICE IMPROVEMENTS, CHRISTMAS ISLAND, N.S.

Question No. 358—**Mr. Muir (Cape Breton-The Sydneys):**

1. On what date were the plans and specifications prepared to improve the disposal field and improve the surface draining system at the Christmas Island Post Office?

2. Have tenders been called for the performance of such improvements to the said Post Office and when are such improvements expected to be completed?

Hon. Arthur Laing (Minister of Public Works): 1. June 10, 1968.

2. Yes. A contract was awarded on July 17, 1968, and will be completed momentarily.

THREE POINT SEAT BELTS

Question No. 360—**Mr. Mather:**

Have representations been received from car importers protesting the lack of a federal safety standard respecting 3-point seat belts?

Hon. Paul Hellyer (Minister of Transport): No. There is already available a standard for seat belt assemblies, No. 97-GP-209: Seat belt assemblies—passenger cars, multipurpose passenger vehicles, trucks and buses, issued by the Canadian government specifications board. The board has also issued three supplementary standards: 97-GP-208: Anchorages of seats, passenger cars; 97-GP-208: Seat belt installations, passenger cars; 97-GP-210: Seat belt assembly anchorages, passenger cars.

SAFETY STANDARDS OF IMPORTED AUTOMOBILES

Question No. 361—**Mr. Mather:**

Are automobiles imported into Canada, for sale in Canada, required to conform to federal safety standards?

Hon. Paul Hellyer (Minister of Transport): No. Vehicles purchased by the federal government for use by its departments and agencies are however required to conform to the motor vehicles safety standards issued by the Canadian government specifications board. Vehicles made in, and imported from the United States, conform to all these standards because the technical requirements in the United States, where compliance is mandatory, and in Canada are identical.

PARLIAMENTARY COMMITTEE ON HIGHWAY SAFETY

Question No. 362—**Mr. Mather:**

Will consideration be given at this Session to establishing a Parliamentary Committee to concern itself with the subject of the human and economic toll taken by automobile accidents and the need to develop protective procedures and devices to reduce this attrition of our resources?

Hon. Paul Hellyer (Minister of Transport): Full attention will be given to the suggestion put forward by the hon. member and the government's decision will be made known in due course; in any case, as indicated by earlier statements and answers to other questions raised by the hon. member, this general area is receiving active consideration by the government.

Questions

SALE OF PLUTONIUM TO FRANCE

Question No. 365—**Mr. Harkness:**

1. Was the sale of plutonium to France made at a very substantial reduction from the going price?

2. At what price was the plutonium sold?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. No.

2. $22.00 per gram.

IMPROVEMENT OF POST OFFICE FACILITIES, ST. JOHN'S WEST, NFLD.

Question No. 367—**Mr. Carter:**

Does the government intend to provide improved post office facilities in St. John's West, Newfoundland and, if so, when will construction commence?

Hon. Arthur Laing (Minister of Public Works): Yes, improvements are planned, but it has not yet been decided how these will be provided.

WORK ON DUNVILLE-ARGENTIA ROAD, NEWFOUNDLAND

Question No. 369—**Mr. Carter:**

1. Will the proposed paving of that section of the Argentia Access Road from Dunville to Argentia be completed this year?

2. Does the government intend to upgrade the remaining section from Dunville to the Trans-Canada Highway this fall to permit its use by people travelling to and from Newfoundland on the Argentia-North Sydney Ferry?

Hon. Arthur Laing (Minister of Public Works): 1. Weather conditions make it unlikely that the proposed paving between Dunville and Argentia will be completed this year.

2. Yes.

CAPITAL PROJECTS, HUMBER-ST. GEORGES-ST. BARBE DISTRICT, NFLD.

Question No. 372—**Mr. Marshall:**

What capital projects will be carried out by the Department of Public Works in the year 1968-69 in the Humber-St. Georges-St. Barbe district, Newfoundland?

Hon. Arthur Laing (Minister of Public Works): Planning is underway for harbour improvements at Corner Brook.

COLLECTIVE AGREEMENTS UNDER DEVCO

Question No. 380—**Mr. Skoberg:**

1. Has the right to bargain collectively been taken away from the employees of the former Cumberland Railway Company, now known as the Cape Breton Development Corporation (Coal Division) Railroad, by the establishment of the Cape Breton Development Corporation?

2. Are the Collective Agreements between the employees and the former owners to be honoured by Devco, until such time as they are specifically changed or renewed?

3. Will the representatives of all unions involved be consulted before any material changes are instituted in their working agreements or conditions, including a retirement plan?

[Mr. Hellyer.]

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. No.

2. Yes, with effect from March 31, 1968, the date of the takeover.

3. Yes.

PORTRAYAL OF INDIANS IN SCHOOL TEXT BOOKS

Question No. 386—**Mr. Dinsdale:**

What steps have been taken by the Department of Indian Affairs and Northern Development to ensure that a more adequate presentation of the role of Indians in Canadian society is available in our school text books?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): In 1968 all teachers in federal schools were invited to comment on the material dealing with the history of the Indian people in school textbooks in current use. The comments received were gathered together in a report which was circulated to the supervisory staff. The ministers of education were informed of the content of the report and were asked to pass this information to officials concerned with curriculum building in each province. Replies received so far indicate a willingness to remedy deficiencies in information on the Indian people. Departmental officials have held consultations with university personnel to promote research and to engage the universities in Indian studies. Several universities are now actively involved in intercultural courses for teachers. The department has prepared a new library catalogue for federal schools in which many books on Indian lore and legend are listed.

*ENTRANCES TO NORTH SIDE OF CENTRE BLOCK

Question No. 387—**Mr. Nowlan:**

1. What is the cost to date and what is the total estimated cost of the new pedestrian entrance to the north side of the Centre Block of the Parliament Buildings?

2. What was the reason for this new entrance?

3. With the completion of this entrance, how many doors for freight and people are there in the Centre Block of the Parliament Buildings and are any others contemplated?

Mr. Paul Langlois (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the answer to this question is as follows: 1. Cost to date, $13,500. Estimated cost, $16,910.

2. To provide access for members of parliament who park in the areas north of the centre block.

3. One freight entrance and nine pedestrian entrances. No others are contemplated.

BUILDING PROGRAM, FROBISHER BAY

Question No. 390—**Mr. Dinsdale:**

1. Have tenders been called for a major building program at Frobisher Bay and, if so (a) what companies submitted tenders (b) who was the successful tenderer and at what price?

2. Does the Department of Indian Affairs and Northern Development operate the building taken over from S.A.C. and, if so (a) what accommodation is available in this building (b) is it fully utilized?

3. What supplementary facilities will be made available under the new building program?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) Tenders were submitted by the following: Ron Engineering and Construction Ltd., Ottawa; Solar Construction, Lockerbie & Hole & Batoni-Humford, Edmonton; Janin-Tower Co., (joint venture) Montreal 16; A. H. MacLeod & Son (Contractors) Ltd., North Vancouver, B.C.; Tankoos Yarman Ltd., Pitts Quebec Ltd., Fruchter & Kagan Real Estate Ltd., and W. Sefton & Associates Ltd. (b) The tenders are still under assessment.

2. (a) The S.A.C. building has been taken over by the Department of Indian Affairs and Northern Development and operated as a federal building. It is providing accommodation for 144 single personnel, office space, stores, sub-division of the R.C.M.P.; Department of Transport airport services, and vehicle storage and maintenance of vehicles for the Department of Transport and the Department of Indian Affairs and Northern Development. (b) The building is fully utilized.

3. The Department of Indian Affairs and Northern Development is planning a vocational school and hostel at Frobisher Bay and it is the intention to convert the existing federal building into a hostel. This made it necessary to provide an apartment building, office and housing called for in the tender referred to in part 1. In addition, the tenderers have submitted proposals for supplementary facilities such as a hotel, shopping centre, recreational facilities and additional housing.

*SECOND NATIONAL PARK, SASKATCHEWAN

Question No. 407—**Mr. Southam:**

Has the government's statement on April 22, 1965, that a second National Park would be established in Saskatchewan at an early date, been implemented and, if not, when does the government intend to commence this development?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): No. The government would be prepared to commence development of a second National Park following agreement being reached with the province of Saskatchewan as to the site and the necessary lands being made available by the province.

[*English*]

SECURITIES COMMISSION

Question No. 423—**Mr. Fortin:**

1. What is the present status of the plans for the establishment of a Canadian Securities Commission?

2. Will the government lay before the House the report of studies prepared in this respect?

3. Will legislation concerning securities be presented at this session?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. These plans are to be discussed at a meeting of the federal-provincial committee of officials on financial institutions and securities regulation on October 25.

2. No. These studies are confidential reports prepared for the minister, of the kind that are normally regarded as privileged.

3. Yes.

QUESTION PASSED AS ORDER FOR RETURN

WINTER WORKS BENEFITS TO MUNICIPALITIES, MOOSE JAW AND SWIFT CURRENT CONSTITUENCIES

Question No. 73—**Mr. Skoberg:**

1. What was the total amount of benefits received by each municipality lying within the boundaries of the federal constituency of Moose Jaw through

participation in special projects under the Municipal Winter Works Incentive Program since its inception in the winter of 1958-59?

2. What was the total amount of benefits received by each municipality lying within the boundaries of the federal constituency of Swift Current-Maple Creek, through participation in special projects under the Municipal Winter Works Incentive Program since its inception in the winter of 1958-59?

Return tabled.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise to direct the attention of the government to question 275, which reads:

In the report of the Company of Young Canadians for 1967-68 there is an item that $439,019 was expended for consulting and professional fees during the year.

From the time the report was made requests have been made of the Company of Young Canadians for information as to how this amount was made up, and the answer given is that no one will be furnished with the information unless parliament requests it. This question has now been on the order paper for three weeks. Having regard to the flagrant expenditure made by this group which has been unaccounted for I should like to ask the government to assure that an answer will be given at once.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the question was passed on to the Company of Young Canadians as soon as it was asked. The Company of Young Canadians told us that they would need at least three weeks to prepare a statement of these figures from their accounts. We should now receive this statement quite soon.

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wonder whether I might be permitted to ask the minister of regional development when I can expect an answer to question 82 on the order paper. This matter is very vital to my constituency.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, while the minister of regional development is looking up question 82 I should like to bring to the attention of the house that the record discloses we have so far answered 48.2 per cent of all questions on the order paper, which we think is pretty good.

Mr. Woolliams: That was a failure when I went to school.

[Mr. Skoberg.]

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, motions for papers Nos. 20 and 25 are acceptable to the government, subject to the usual reservations concerning privileged papers and authorization of the governmental authorities concerned.

Mr. Speaker, I ask that the remaining motions be allowed to stand.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, on a point of order, I understand there are a number of documents of a confidential nature; but it seems to me, and I hope I am not being excessively technical, when such a request is made in respect of the production of certain documents, an explanation in some detail should be given so the house will be aware of the situation, rather than a blanket permission being extended to the government to withhold documents. I make that suggestion at this time, and I hope the parliamentary secretary will bear that in mind.

DIRECTIVES RESPECTING NORTHERN HEALTH SERVICES

Motion No. 20—**Mr. Dinsdale:**

That an Order of the House do issue for a copy of the directives issued by the Department of National Health and Welfare last February and March indicating that health services to Eskimos and Indians were to be cut back in the interest of economy and the further directive issued in April rescinding the original order and restoring traditional health services and finally the further directive issued on July 15 restoring the earlier cut backs.

Motion agreed to.

SALE OF CAMP MUSKWA, ALASKA HIGHWAY

Motion No. 25—**Mr. Howard (Skeena):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all telegrams, correspondence and other documents exchanged between the government or any agency or department thereof and any other person, company organization or group relative to the sale of buildings and equipment comprising the former Department of Public Works property known as Camp Muskwa at Mile 295 on the Alaska Highway.

Motion agreed to.

NATIONAL SECURITY

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that the contents of the report of the royal commission on security are already public knowledge, could the Prime Minister inform the house whether he has received a copy of the report and when it will be tabled in the house?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker, I have not yet received a copy of the report, nor do I admit the truth of the premise that it is of public knowledge.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question for the Prime Minister. Could the Prime Minister inform the house how it is that the London *Times*, a foreign newspaper, carried some facts about the report and passed some reflection on the R.C.M.P.?

Mr. Trudeau: Mr. Speaker, I am not qualified to speak for the London *Times*, but I will ask the minister to check whether there is any truth in these allegations.

Mr. Woolliams: A further supplementary question, Mr. Speaker. I wonder if the Prime Minister is qualified to tell us whether any member of his government or the head of the commission gave this information to the press.

Mr. Trudeau: Mr. Speaker, we have the utmost confidence in the members of this commission.

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATION RESPECTING DEPARTMENTAL REORGANIZATION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the importance which the right hon. gentleman has attached to the proposed reorganization of some departments, and since this reorganization affects pressing matters such as regional disparity and poverty, would the Prime Minister inform the house how soon he intends to bring the legislation governing departmental or government reorganization before the house?

Inquiries of the Ministry

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, as I have said before in the house, many of these matters have already been attended to, in the sense that many of them could be dealt with by order in council or by transfers between departments, and so do not require legislation. I understand that the legislation itself will come in early in the new year.

Mr. Lewis: A supplementary question, Mr. Speaker. In view of the Prime Minister's answer I direct my supplementary question to the Minister of Forestry and Rural Development. On the assumption that some of the duties respecting regional development have already been placed in his hands, would the minister consider making an early statement to parliament on the establishment he has set up and the programs he is developing to deal with the problem of regional disparity?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, in a few weeks I should be in a position to introduce in the house the bill to create the department and at that time I can give the requested details.

[*English*]

Mr. Lewis: A further supplementary question, Mr. Speaker. The "projet de loi" of which the minister speaks will be the bill dealing with government reorganization. The Prime Minister has already informed us that duties have been assigned to various ministers, and I am sure I make the correct assumption when I assume that the duties assigned to this minister are very important. I ask whether he will make a statement about those duties before the bill is introduced.

[*Translation*]

Mr. Marchand: Mr. Speaker, the powers vested in me already existed in statutes and in various programs divided between departments. No other power was granted to me.

CANADIAN BROADCASTING CORPORATION

QUEBEC—COVERAGE GIVEN FORMATION OF SEPARATIST PARTY

On the orders of the day:

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, this question is directed to the hon. Secretary of State.

Yesterday afternoon, I asked the right hon. Prime Minister if the government or the

department intended to order an investigation to determine why the Canadian Broadcasting Corporation gives twice as much broadcasting time to those who want to destroy Canada than to those who want to build and unite it?

Since the hon. Secretary of State is here today, could he tell us whether he intends to order an investigation and to make recommendations to the Canadian Broadcasting Corporation to discharge its responsibilities in a more appropriate manner.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I do not know the basis of the allegations used to introduce that question, but the hon. member may rest assured that the C.B.C. reminds itself every day of its own responsibilities in the field of information.

[*English*]

POST OFFICE DEPARTMENT

REPRESENTATIONS RESPECTING WITHDRAWAL OF SATURDAY SERVICE

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Postmaster General. Will the minister advise if as a result of representations from the committee of 35, or other more broadly based bodies, he has decided not to pursue the obviously unpopular measure of Saturday closing of the post offices of this country?

Hon. Eric W. Kierans (Postmaster General): May I beg the indulgence of the house, Mr. Speaker, and ask the hon. member to repeat his question? I am sorry to have to do this.

Mr. Macquarrie: With pleasure, Mr. Speaker. Will the minister advise if, as a result of representations from the committee of 35, or other more broadly based bodies he has decided not to pursue the obviously unpopular measure of the Saturday closing of the post offices of this country.

Mr. Kierans: Mr. Speaker, all efforts to reduce costs or improve efficiency will undoubtedly be received unfavourably by the people who are affected. So far as having come to any conclusion is concerned, I may say I am meeting continuously with all sorts of bodies but have not as yet received any formal invitation or representations from the members of the opposition. But I expect, when we begin second reading of this bill, to be in a position to make a declaration.

[Mr. Caouette.]

Mr. Macquarrie: I have a supplementary question, Mr. Speaker. Since all other avenues toward participatory democracy seem to be blocked, will the minister lend his good offices to members of this party in setting up a meeting which will not be held behind closed doors and before which interested members of the public may make representations on this vital matter?

Mr. Kierans: I expect that all such discussions will take place on second reading and in the clause by clause analysis of the bill. I assume also that all the direct mail associations, newspaper publishers and so on who are making representations to me daily are making the same representations to hon. members opposite.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Postmaster General. In view of the fact that there is no reference in Bill No. C-116 to the stopping of mail delivery on Saturdays, can the Postmaster General say by what authority he has made this decision?

Mr. Kierans: Under the authority of the powers vested in the Postmaster General. Under the authority parliament has given to him, including the setting of rates on third and fourth class mail without reference to parliament, he can deal with a number of items. He is not doing this on his own authority; these are the regulations of the house.

Mr. Speaker: Order, please. I am sure the hon. member for Winnipeg North Centre will admit there is some doubt as to the legality of the question he has asked. The hon. member cannot ask questions about the legal interpretation of the powers of the ministers.

Mr. Knowles (Winnipeg North Centre): May I then put the following supplementary question to the Postmaster General. In view of the considerable protest there is against elimination of the Saturday mail service, does the Postmaster General not feel that this matter should be submitted for a decision by parliament?

Mr. Kierans: I think after I make the declaration hon. members will undoubtedly explore—

[*Translation*]

the justification for this decision on second reading.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my supplementary question is not directly related to the topic of the previous questions, but due to the urgency of the matter I believe it is in order. I wonder if the Postmaster General is aware of the pornographic literature which is being circulated through the mails, and whether any action is being taken about it.

Mr. Kierans: Mr. Speaker, the department has been aware of this since last Thursday. I may say that the material is certainly pornographic; it is obscene and disgusting. The department is taking the following steps: Any person who fills in and returns the card in an attempt to purchase from Evicco Film Company of Copenhagen, Denmark, this kind of film will find he is wasting his time and postage. The various main post offices across the country have been alerted. We are also going to take special steps to prevent the transmission of any such mail to Denmark through the international airports at Montreal and Toronto.

Second, Mr. Speaker, though this material is being distributed in plain envelopes with first class postage affixed and no identification, we are making every attempt to find its source. Of course we would pursue the persons concerned under the appropriate section of the Post Office Act.

Third, and I think I may express a personal opinion, I am so overwhelmed with the nastiness of the material that I certainly would ask the Department of Justice to give serious thought to taking criminal proceedings against the people if we find those responsible.

Mr. R. E. McKinley (Huron): May I ask a supplementary question. I realize there have been meetings going on with regard to Saturday delivery, and I wonder if at the commencement of the second reading stage of the post office bill we could be given an indication by the minister that he will be able to announce some measure that will make rural mail subscribers happy. This question can be answered by yes or no.

Mr. Kierans: I will make a declaration at that time, Mr. Speaker.

[*Later:*]

Hon. J. W. Monteith (Perth): Mr. Speaker, I should like to ask a question of, I assume it would be, the Secretary of State for External Affairs in respect of this pornographic literature that was referred to earlier in a question put to the Postmaster General. Has the Danish government been informed that the return address of this material is in Denmark?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have not so informed our ambassador in Denmark, but I will investigate and see whether this would be a useful thing to do.

[*Translation*]

[*Later:*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the hon. Postmaster General.

As Saturday seems to be the least appropriate day to close post offices, has the minister thought about a different day to apply this new policy?

[*English*]

HARBOURS

ROBERTS BANK, B.C.—INQUIRY AS TO JURISDICTION

On the orders of the day:

Mr. J. P. Nowlan (Annapolis Valley): My question is directed to the Minister of Transport, and I welcome him back in the house. Pursuant to the undertaking given to the house yesterday by the Prime Minister in answer to a question from the Leader of the Opposition, is the minister today in a position to make a statement regarding the Roberts Bank development, and specifically where the federal government exercises jurisdiction and where the provincial government exercises jurisdiction?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am very happy to be back in the house, and to see my hon. friend in his place.

An hon. Member: He has been in the house all the time.

Mr. Hellyer: In reply to the question I may say that some time ago I advised the house we in the department have undertaken studies in conjunction with the Canadian Transport Commission to determine what changes, if any, there should be with regard to port administration and control in so far as the future is concerned. At the present time there are different systems in operation in different

parts of the country. Each has its advantages and each has its disadvantages. It is considered desirable to look at all these various alternatives in deciding whether a new system should be made applicable to ports such as the one under development at Roberts Bank in British Columbia, and perhaps other ports such as Montreal as well.

I expect this report will be ready for consideration by the end of November. I will take under advisement the possibility of having the report studied by the House of Commons committee on transport and letting them decide, on the basis of evidence that can be brought before them, what action should be taken in respect of it. Subsequent to that I would hope to undertake joint meetings with British Columbia to decide who should administer the various aspects of the port and its development, and perhaps not just that port but all the various ports of the lower mainland.

Mr. Nowlan: May I ask a supplementary question, though I hesitate to do so if it has to cover the whole answer given by the minister. Are we to understand from this answer the present situation is that there is no federal jurisdiction or control over the access that links the port development with the other federal railways, and that there is no undertaking between the provincial government and the federal government respecting that access? Do we have to wait a month or so until this report is received?

Mr. Speaker: Order. In my view the supplementary question is argumentative.

Mr. Nowlan: May I put the question in another way. I was trying to simplify it.

Mr. Speaker: Order, please. I will allow the hon. member to ask the supplementary question, but I remind him that we have only 30 minutes today and there are many other members who are seeking to ask questions.

Mr. Nowlan: I appreciate that, Mr. Speaker, but this is of particular concern to the people on the west coast. I should like to ask the minister specifically whether the federal government has agreed to allow provincial jurisdiction over the access between the port facilities and the federal railways. Has there been a firm agreement that the provincial government will control this access?

Mr. Hellyer: Mr. Speaker, I am not sure that I completely understood the purport of my hon. friend's question. If he is asking whether there will be equal access to the port by all Canadian railways without discrimination, protecting the shippers in all parts of Canada, the answer is yes.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have a supplementary question that I have no hesitation in asking. On Friday of last week I asked the Prime Minister about this matter and he suggested I ask the minister when he was back. Therefore I ask him whether as a result of his investigations the questions of financing and jurisdiction are going to be settled.

Mr. Hellyer: I hope so, Mr. Speaker. That is the purpose of the inquiry.

AGRICULTURE

INQUIRY AS TO ASSISTANCE TO WESTERN FARMERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, yesterday I asked a question regarding the very serious economic condition of farmers in western Canada. The question was directed to the Minister of Agriculture and also to the Minister of Trade and Commerce. I would ask either of these ministers now, who according to the revised roster should be in the house, whether they can answer my question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, both these ministers are attending the national grains council in Winnipeg, but there are in the house ministers who will either answer the question or take it as notice.

Mr. Diefenbaker: Mr. Speaker, it is difficult to know to whom to direct a question. These ministers, according to the roster, are supposed to be here.

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, as Acting Minister of Agriculture I would deem it a great privilege to answer that question.

Mr. Diefenbaker: Now we have it shuffled out, Mr. Speaker; the roster has been re-revised. I know the minister's interest in the west and in agriculture in general, and I should like to ask him what has been done regarding an assessment of the situation in western Canada at the present time by way of preparation for action to be taken to meet this very serious problem.

Mr. Greene: Mr. Speaker, as the Prime Minister has indicated there is an initial meeting being held of the national grains council, or at least of the co-ordinating committee prior to the formation of the council in the west, and certainly the very grave problem that affects our western farmers at this time, I can assure the right hon. gentleman, is under very active consideration by the Minister of Agriculture and his entire department.

Mr. Diefenbaker: Mr. Speaker, could the minister let the house know what action in particular is being taken? As far as the grains council is concerned, this council will not meet the problem faced by the farmers in western Canada today.

Mr. Greene: Mr. Speaker, with regard to any specific action requiring legislative authority, or any specific action that the house should be informed of to meet the very serious situation that exists in the west, if special action is necessary, I am sure the Minister of Agriculture would make an announcement in this house in due course. It may well be that with P.F.A.A. and other emergency measures that are currently available under federal legislation the problem can be met under existing agencies.

Mr. J. H. Horner (Crowfoot): A supplementary question, Mr. Speaker, which I should like to direct to the Prime Minister or the Acting Minister of Agriculture. Will either of these gentlemen confirm the rumour that Canada's best wheat salesman will be appointed to head the grains council, namely Hon. Alvin Hamilton?

Mr. Greene: You would not like me to answer that idle rumour.

Mr. Les Benjamin (Regina-Lake Centre): I have a supplementary question, Mr. Speaker, for the acting minister. Have any plans been made for the delivery of out of condition tough and damp grain and, if so, are they ready for implementation? In addition, has a special allocation of railway stock been made for the movement of that grain to the terminals for drying?

Mr. Greene: Mr. Speaker, I believe arrangements have been made with the railways. Also I understand arrangements have been made to use the interior elevators in order to help ease the difficult situation that currently exists.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question for the Prime Minister. May I ask the right hon. gentleman why it was that in the absence of the other two ministers, he could not indicate who was the acting minister?

WATER RESOURCES

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Since a situation of extreme urgency is arising from water developments now taking place in British Columbia, as evidenced by urgent requests from civic bodies in British Columbia, can the minister assure the house that the Canada water act will be introduced in the near future?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, this matter is of urgent concern not only to my hon. friend but also to my department and to the government. I wish to assure the hon. member that it is the intention of the government to seek an early opportunity, consonant with the demands on the time of the house, to bring such a water act before this house.

Mr. Pringle: A supplementary question, Mr. Speaker. Will the minister refer the subject matter of water use to the standing committee on natural resources and public works?

Mr. Greene: Mr. Speaker, we will consider appropriate action as to the direction of the bill to a committee when the bill comes before the house.

Mr. Speaker, while I am on my feet, last week the hon. member for Fraser Valley West asked whether progress has been made in the setting of Canadian standards on water pollution to include biological, chemical and physical aspects of the question. As the house knows, the federal government has offered to establish a national advisory committee on water pollution to study and recommend national water quality objectives. I wish to inform him that discussions on this matter have been held with the provinces, and that these discussions are continuing.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. Would the minister also refer to this committee the very alarming situation that has developed as a

result of the extremely low level of the Peace river which has been caused by the improvident arrangement this government—

Mr. Speaker: Order.

Mr. Baldwin: —made with the province of British Columbia when the federal government failed to make that government pass the necessary legislation?

Mr. Speaker: Order, please.

AIR CANADA

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Transport. Since item No. 24 on today's order paper gives Air Canada the right to enter the capital market and sell its own securities, and since this underlines the need for having as president of that air line a man of great ability in air transport matters, is the minister now in a position to advise the house when we may expect the announcement of the appointment of such a man?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I will be glad to draw the hon. member's question to the attention of the board.

CONSUMER AFFAIRS

REPORT RESPECTING GROCERY PRICES ON PRAIRIES

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the report of the director of investigation and research made pursuant to the Combines Investigation Act that the Batten report contains no convincing evidence of excessive grocery prices on the prairies and that consequently no prosecution is warranted, and in view of the director's further finding that a few of the largest grocery chains have a degree of economic power—

Mr. Speaker: Order. Will the hon. member kindly put her question.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, I am putting it as shortly as I can, but there is no use putting a question unless you know what it is about so I will go straight on—in some regions, which calls for vigilance by the public authorities, what measures is the branch or department taking to deal with this situation?

Mr. Speaker: I suggest to the hon. member that the question is very wide in scope and might be placed on the order paper. Alternatively, it might be discussed at the time of adjournment.

YUKON QUARTZ MINING ACT

REQUEST FOR INTRODUCTION OF AMENDING BILL

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development. Three weeks ago today I asked whether he would be placing on the order paper a bill to amend the Yukon Quartz Mining Act, since some hon. members might wish to study this complex legislation. The minister said that would be done. Could he indicate to the house when it will be done, since on that previous occasion he said it would be done in two or three weeks.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I hope that I shall be able to do so within the next few weeks, but I am unable to specify the date to the hon. member.

[*English*]

ATOMIC ENERGY

REQUEST FOR TABLING OF AGREEMENT BETWEEN FRENCH AND CANADIAN AGENCIES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Is the minister prepared to table the agreement between A.E.C.L. and the French C.E.A. on the exchange of nuclear power information? If not, what portions of the agreement are considered secret?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the government is not prepared to table the agreement, which is looked upon as a matter of internal management of A.E.C.L. with respect to the upholding of its competitive position in world markets. It is deemed that in order to maintain the efficiency and competitive position of A.E.C.L., it is in the best interest of that body to keep this agreement and similar

agreements within the ambit of the internal management of that corporation.

Mr. Aiken: A supplementary question, Mr. Speaker. Since the financial terms of the agreement with Britain are known and have been published, has a money figure been agreed on and can it be announced?

Mr. Greene: Mr. Speaker, the financial arrangements under the agreement, the dollar terms, cannot be announced. It is deemed by the corporation that the financial considerations are such as to be really part of the business agreement between the two atomic energy agencies. Therefore it would not be in the interest of the competitive position of A.E.C.L. to disclose financial arrangements.

CANADIAN NATIONAL RAILWAYS

NORTH SYDNEY, N.S.—REDUCTION IN FREIGHT AND EXPRESS OPERATIONS

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, may I direct a question to the Minister of Transport. Proposed further cut-backs in employment at North Sydney by the Canadian National will affect freight and express operations. May I ask the minister if he will make representations to the railway and urge that they reconsider their action and not add to the loss of several hundred jobs that has been brought about by the actions of this government and the Canadian National?

Mr. Speaker: Order, please. The hon. member has made a representation. I do not think he has asked a question.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, this is a most important matter. Far be it for me to question your wise counsel, sir, but this question has to do with the livelihood of many people. May I submit with the greatest deference that it has been the practice in this house over the years, when there are questions regarding curtailment of C.N.R. operations, the closing of branch lines and stations and the disruptions that have resulted therefrom, to direct those questions to the Minister of Transport. With respect, I am asking a straightforward question and I am not making a representation. I am asking the minister if he will make representations to the Canadian National to see whether the situation I have spoken of can be averted.

Mr. Speaker: The hon. member has made his representation twice. I can only hope it has been noted that many times.

RESEARCH

REQUEST FOR REPORT ON PROPOSED QUEEN ELIZABETH OBSERVATORY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Acting Minister of Agriculture but in his capacity as Minister of Energy, Mines and Resources. Some time ago I asked the minister if he would be prepared to table the report of the scientists relative to the Mount Kobau Queen Elizabeth observatory. The minister said he would take the matter under consideration. I have not had an opportunity to determine what decision the minister has arrived at. Will he make the report public?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the suggestion of the hon. member is still under consideration and is being discussed with all parties we feel ought to have a voice in the ultimate decision as to whether this report should be tabled. No decision has yet been arrived at as to whether it would be in the public interest to table this report.

Mr. Howard (Skeena): A supplementary question, Mr. Speaker. Can the minister indicate how long it might take before a conclusion will be reached?

Mr. Greene: Mr. Speaker, in parliamentary terms it will be in the not too distant future.

INDIAN AFFAIRS

COUNSEL FOR INDIANS AT CONFERENCES ON AMENDMENT OF ACT

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I wish to direct my question to the Minister of Indian Affairs and Northern Development. On September 13 last I asked the minister if the government would consider paying the cost of legal counsel of the Indian people's choice with respect to the consultations going on having to do with amendments to the Indian Act. The minister said he would consider that request. Could he say what decision has been arrived at?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have considered that possibility but, at the present time, we do not think that it would be appropriate to do so. If, later on, during the second round of negotiations there is a change in the situation, we might reconsider our decision.

Ruling by Mr. Speaker

[*English*]

FISHERIES

DEFICIENCY PAYMENT TO EAST COAST FROZEN FISH INDUSTRY

On the orders of the day:

Mr. Frank D. Moores (Bonavista-Trinity-Conception): Mr. Speaker, may I direct a question to the Minister of Fisheries. Is it the intention of the government to renew the deficiency payment to the east coast frozen fish industry when this program expires in the near future?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, we shall have to develop another program to take its place. The current program will terminate at the end of this month.

REQUEST FOR RESTORATION OF SALT SUBSIDY

On the orders of the day:

Mr. Walter C. Carter (St. John's West): Mr. Speaker, considering the serious economic situation facing Newfoundland fishermen, is the government considering reinstating the salt rebate that was granted to our east coast fishermen?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the answer is no.

Mr. Speaker: Order, please. I ought to inform hon. members that we have already gone beyond the time allotted to the question period, by a few minutes. I felt that hon. members who did not sit in the front benches and who had not had an opportunity to ask questions ought to have the opportunity to do so. That is why today we went beyond the time allotted to the question period, by a few minutes.

PRIVILEGE

MR. MACINNIS (CAPE BRETON-EAST RICHMOND)—RULING BY MR. SPEAKER

Mr. Speaker: If hon. members will allow me perhap I might be permitted to unburden myself of a weighty opinion relating to a point raised yesterday in the house on a question of privilege.

At the opening of the sitting yesterday the hon. member for Cape Breton-East Richmond (Mr. MacInnis), rising on a question of privilege concerning the attendance in the house of ministers during the question period, proposed to move:

That the matter of scheduling of ministers in the house and the general conditions affecting the daily question period be referred to the special committee on procedure.

[Mr. Chrétien.]

In the course of his argument the hon. member raised two distinct questions. On the one hand the hon. member referred to rulings of the Chair dealing with questions directed to ministers "in capacities other than of departments they represent". He has raised as a second point the question of the scheduling of attendance of ministers in the house.

In considering the first point I have read carefully the reference at page 3756 of *Hansard* for June 1, 1966, the page to which the hon. member alluded. On that occasion a notice of question had been filed seeking information from the Minister of National Health and Welfare, presumably in his capacity as minister for Nova Scotia. A ruling was then made to the effect that a question must be addressed to a minister in relation to his administrative responsibilities.

It seems to the Chair that there is nothing inconsistent between the ruling made on that occasion and any decision or ruling of the Chair in relation to the recent procedure in asking questions of acting ministers.

The very limited ambit of the previous ruling was to the effect that a minister may be asked questions relating to a department for which he has ministerial responsibility or acting ministerial responsibility, but a minister cannot be asked nor can he answer questions in another capacity, such as being responsible for a province, or part of a province or, again, as spokesman for a racial or religious group.

As I stated when this very point was raised by the hon. member on Friday last as a point of order, it has been a common occurrence for many years to have ministers reply to questions dealing with departments for which they have an acting responsibility.

With reference to the second argument advanced by the hon. member, I expressed my concern yesterday about two aspects of the proposed question of privilege and the motion based thereon. In the first instance I referred to citation 104(3) of Beauchesne's fourth edition wherein it is stated in part:

• (3:20 p.m.)

A matter of privilege which claims precedence over other public business should be a subject which has recently arisen and which calls for the immediate interposition of the house.

The Chair might again refer to and read part of citation 104(5) of the same authority, as follows:

As a motion taken at the time for matters of privilege is thereby given precedence over the

pre-arranged program of public business, the Speaker requires to be satisfied, both that there is a prime facie case that a breach of privilege has been committed, and also that the matter is being raised at the earliest opportunity.

The attendance system to which objection is taken was proposed to the house approximately two weeks ago. Since then the proposal has been referred to daily by a number of hon. members. Questions have been asked about it, and it has been the subject of a number of points of order. It was also considered at length in connection with the estimates of the President of the Privy Council. However, it has not been advanced until now as a question of privilege. I find it rather difficult to disregard the many precedents to the effect that a question of privilege must be raised at the first opportunity.

The hon. member for Winnipeg North Centre (Mr. Knowles) in the course of his argument reminded the Chair that there is no specific provision in the rules for the attendance of ministers on specific days. Provisional standing order 39(5), as well as long established practice, provide for the right of hon. members to ask oral questions, over and above written questions consigned to the order paper, in urgent circumstances. At the same time the citations and precedents are clear on the point that while a member has a right to ask a question he cannot insist on an answer. On this point I refer hon. members to Beauchesne's fourth edition, citation 181(3), which states "A refusal to answer cannot be raised as a question of privilege nor is it regular to comment on such refusal."

The third point I would like to make has reference to the motion itself which would be put to the house for debate and determination if the procedural requirements were satisfied. As hon. members know, a motion of this nature forms part and parcel of the suggested question of privilege. The redress sought by the motion has to be considered in determining whether the question can be accepted as a valid prima facie question of privilege and if the motion is to be put to the house for debate.

The specific motion proposed by the hon. member for Cape Breton-East Richmond is in my view more in the nature of a substantive motion. What is being proposed is not so much that an alleged breach of hon. members' privileges be considered, possibly by the committee on privileges and elections, but that the proposed system of ministerial attendance during the question period be considered, along with other procedural changes, by the special committee on procedure.

With respect, I submit that this type of motion is essentially a substantive motion and one which therefore cannot be moved without notice as provided by standing order 41.

For these reasons—and I can assure hon. members after giving the matter much serious thought—I do not find it possible to put the hon. member's motion to the house.

JUDGES ACT

AMENDMENT TO PROVIDE ADDITIONAL JUDGES FOR ONTARIO AND QUEBEC

Hon. John N. Turner (Minister of Justice) moved the second reading of Bill No. C-114, to amend the Judges Act.

He said: Mr. Speaker, at the conclusion of the resolution stage of this bill I undertook to make a short statement at the second reading stage and, as best I could, to answer the questions that were put to me while we were in committee. I think, sir, that hon. members are well aware that the British North America Act provides that the provinces have responsibility for the "administration of justice in the province, including the constitution, maintenance and organization of provincial courts, both of civil and of criminal jurisdiction..." The salaries, allowances and pensions of superior and county court judges, pursuant to the British North America Act, are to be fixed and provided by the parliament of Canada. Those two provisions are found in articles 92(14) and 100 of the British North America Act.

The legislature of Ontario earlier this year amended The County Judges Act of the province of Ontario to provide three additional judicial positions for the counties of Lincoln, Middlesex and Essex. The amendment received royal assent in Ontario on March 28 of this year. I am informed by the department of the provincial attorney general that these three additional positions are required largely because of the increasing work load carried by the county courts, in large part due to the recent introduction of the Ontario legal aid plan.

[*Translation*]

As to the amendments to the Courts of Justice Act of the province of Quebec, a similar situation arose because of the new jurisdiction of the Superior Court in divorce matters which has increased a work load which was already extremely heavy.

The Quebec legislature provided for 11 new judgeships for the Superior Court of Quebec, namely three for the judicial appeal district in Quebec and eight for the judicial appeal district in Montreal.

As far as the judicial appeal district in Quebec is concerned, I understand that one of the three judges will be assigned to the new jurisdiction assumed by the province in divorce matters. And in the judicial appeal district of Montreal, I am advised that five of the eight judges will be assigned to that new jurisdiction.

The other appointments result from the increased work load of the courts. The Quebec law authorizing the appointment of eleven new judges was given royal assent on July 5, 1968 and the section dealing with the increase in the number of Superior Court judges is to become effective on the day of proclamation which, I am told, will be within a few days.

Hon. members are aware, Mr. Speaker, that such amendments to the Judges Act are part of the ordinary business of a session, since the work of the courts reflects to a large extent the population increase as well as other factors affecting the life of a community.

In the two cases in question, the provinces have asked us to proceed with the necessary appointments to fill the new posts within a short period.

The proposed legislation will authorize the payment of the prescribed salaries and will thus make it possible to proceed with the appointments.

[*English*]

I might say that the associate chief justice of the Superior Court of the province of Quebec advised me that he estimates that the number of divorce petitions that will be presented in the province of Quebec, in the first year of the assumption of jurisdiction by that province, will be 3,000 to 4,000, and that 80 per cent of these petitions, roughly 2,500, will probably be presented in the judicial appeal district in Montreal.

I should now like to deal briefly with some of the points that were raised by hon. members at the resolution stage. The hon. member for Calgary North (Mr. Woolliams) said he had some concern about the habit of some judges reserving decisions for an inordinate length of time. I think every practising lawyer has undergone the burden of having the decisions in cases he has pleaded before the courts reserved for a year, two years, and sometimes longer.

• (3:30 p.m.)

I am sure the hon. member knows that the immediate responsibility in the administration of justice would lie with the attorney general of the province and, of course, in so far as the administration of a particular court is concerned, with the chief justice. I can assure him that if I were to receive any complaints about the time elapsing between the hearing of a case and the rendering of a judgment I would of course refer this matter to the attorney general of the province and the chief justice concerned, in so far as my jurisdiction allows, and ask for a report. There is a good deal of substance in what the hon. member says.

I am afraid at this stage I cannot make any comment upon what he said at the resolution stage about the amendment to the Supreme Court Act which is now before the other place. He referred to some remarks made by Senator Roebuck. There will be an opportunity in the proper forum for me to address myself to that subject. I am sure he understands that the privileges of the other house need to be respected. In this case the legislation is currently before the other place.

The hon. member referred to the confusion which seems to have arisen in Ontario between two conflicting judgments at first instance on the matter of divorce. I understand the judgments have now been referred to the court of appeal for Ontario. They relate to the rules of procedure of the Supreme Court of Ontario involving substituted service in the case of a desertion. As I have said, if the Divorce Act itself turns out to have gaps and ineffective provisions in it, then, of course, I would consider it my duty to introduce amendments to the act after a sufficient period had elapsed to give the act a fair trial. I also suggest it is my view that there might be latitude within the present rules of procedure of the Supreme Court of Ontario to remedy any defect in the rules as they affect the administration of the Divorce Act.

I wish to take issue with the hon. member for Calgary North in respect of one aspect of his speech. This has to do with his remarks concerning the Exchequer Court of Canada. When he said that the judgments of the exchequer court tend to lean toward the crown I am sure he did not mean any reflection upon the independence or impartiality of those judges. I am sure also that when he

described this court as a costly one he probably was referring to the taxation process before the court which perhaps does not accord to counsel the same costs that would be accorded to them before a court of provincial jurisdiction. He might like to make that clear when he replies on second reading. I want to stress in the strongest terms my confidence in the Exchequer Court of Canada. I must rebut him with all the vigour I can summon.

With the greatest respect I must say that I think the accusation that the procedure of the exchequer court is cumbersome and costly should be rebutted also. It is my view, particularly in view of the recent revision of the rules undertaken by the president of the court, that it is probably the easiest court in the country, from a procedural point of view, for a private practitioner to practice before. Certainly in practice it was my experience that the proceedings moved faster and that the issues in a trial were reached quicker than in comparable courts of concurrent jurisdiction.

Mr. Woolliams: Mr. Speaker, I wonder whether the minister would permit a question. I can understand why he is now, as the Minister of Justice, making a defence of the court, but would he not admit that in cases of expropriation where land is taken by the crown from citizens of the country it is most costly to get experts to valuate the land and come into court to give evidence? Would he not also agree that there is a great deal of expense involved because of the necessity of making chambers applications in Ottawa from as far away as Vancouver and Calgary?

Mr. Turner (Ottawa-Carleton): I should like to take issue with the first example given by the hon. member. Surely any professional expenses incurred in an expropriation case relating to the fees of an assessor or the fees of a professional witness would be incurred by any litigant who would appear before any court. This does not relate to the procedure of the exchequer court but rather to the fact that professional witnesses are called by one or more of the litigants. On the question of counsel having to come to Ottawa, I may say that there is something to be said for decentralization of the administration of the court—

Mr. Woolliams: And the cost.

Mr. Turner (Ottawa-Carleton): —and I am looking into that. It has been my experience that it is easier for counsel and the parties to arrive at the real substance of the matter in this court which is free from procedural wrangles and technical difficulties than it is before any other court of first instance.

As a matter of fact, I think it is worth considering the use of the exchequer court as a tribunal with general jurisdiction in appeal from administrative tribunals in this country. At the moment an appeal from the Canadian Transport Commission or from the tariff board can be made on a question of law or on a question of mixed fact and law only by way of a petition for leave to appeal to the Supreme Court of Canada. I think a good deal could be said for widening the jurisdiction of the exchequer court to give it a trial division and an appeal division. It seems to me that the right of appeal from fact-finding bodies is inadequate under our present law. I believe that if the exchequer court were broadened to include an appeal division this would fill that gap and also take some of the onus off the Supreme Court of Canada.

The hon. member for Fundy Royal (Mr. Fairweather) asked me how many county court judges in Ontario now occupy dual positions. He was speaking of judges who might assume temporary positions on boards and so on. I am afraid I cannot answer that question directly because no recent inventory along the line suggested by the the hon. member has been taken. So far as I know, however, we are not aware of any abuses and have had no complaints. I think the hon. member will recall that when the Judges Act was last amended it defined the position of judges fairly clearly. There is now a general provision in section 39 of the Judges Act which precludes a judge from receiving any additional salary or remuneration for performing any duty or service, whether judicial or executive, on behalf of the government of Canada or the government of a province, although of course he is entitled to reasonable travelling and other expenses while he is away from his ordinary place of residence.

The hon. member for Fundy Royal asked me what I thought of the ethics of retired judges returning to practice law before the courts. I should say that the practice has caused a good deal of controversy. I have found myself before the courts in an embarrassing situation against lawyers who have recently sat as judges on the bench of a court and are now practising again before that court. A good many barristers and judges feel that retired judges ought not to practice before the courts again and certainly not

before courts of which they were once a member. There is no departmental policy in this regard. Naturally this is a matter for the courts themselves and for the provincial attorneys general in respect of the administration of justice within their province. I think any judge who reassumes practice, if that is his intent, would have to rely on his own tact and propriety with regard to which court he decides to practice before.

The hon. member for Fundy Royal also asked me about reserved judgments. I hope I have dealt with this question fairly in my answer to the hon. member for Calgary North.

• (3:40 p.m.)

Finally, the hon. member for Broadview (Mr. Gilbert) asked me what my general criteria were in the selection of judges.

An hon. Member: That is a good question.

Mr. Turner (Ottawa-Carleton): I am not going to duck this question, but I did hear a friendly snicker from the other side. I think members will agree that one of the most delicate of the functions of the Minister of Justice is the recommendation to the governor in council of the appointment of judges.

I have adopted a consultative process with members of the bar and in certain cases with members of the bench who have had an opportunity to observe the lawyers practising before them. I have consulted leading citizens everywhere and a special committee of the Canadian Bar Association. Before I submit names to my colleagues in the government I am satisfied that on the basis of professional qualifications the men, and I hope some day the women, I am prepared to nominate have received the professional approval not only of that committee of the Canadian Bar Association but of the committees of the provincial associations and in many cases leading lawyers who have—

Mr. MacEwan: Mr. Speaker, I should like to ask the minister whether this procedure was followed in respect of the recent appointments to the bench in Nova Scotia?

Mr. Turner (Ottawa-Carleton): Indeed it was, Mr. Speaker, and I think for obvious reasons the hon. member ought to be delighted with the appointment of a judge to the court of appeal, the retired president of the Canadian Bar Association. I am prepared to say that was a good appointment.

An hon. Member: Take it easy, John.

[Mr. Turner (Ottawa-Carleton).]

Mr. MacEwan: You cannot say that about one of the other two. I just wanted to know whether the minister had consultations in respect of all three appointments.

Mr. Turner (Ottawa-Carleton): I had consultations in respect of all four appointments. There was a promotion from the trial division to the court of appeal. I consulted about all four and they are all first rate lawyers. My hon. friend may not agree with this estimation of all of them but I can assure him as a lawyer that I was satisfied.

Mr. MacEwan: Two of them were my classmates, so they are not bad.

Mr. Turner (Ottawa-Carleton): What they have not got in the way of public prominence they now have in the way of security.

Let me say with all sincerity that as far as I am concerned the chief criterion is competence. So long as I am able to hold this portfolio, no one who is not competent will receive an appointment to a court in this country, and I give that undertaking to members of this house.

The hon. member asked me what I looked for. I ask hon. members what they would look for if they were trying to nominate somebody from their communities to an appointment to a superior court bench. I think we would all want to see integrity and honesty. We would all look for moral courage, because some of the decisions that face our judges are difficult. I am sure we would all want decisiveness and legal ability. I look particularly for men with experience before the courts. I think that is a condition precedent that we all agree on. If a man is going to preside over a tribunal he should have practiced in as many different jursdictions as possible. A judge must have patience, and good health is a requisite. Certainly he must have consideration for others. These qualities commend themselves to me in great measure.

I should like to say also that as far as I am concerned the following characteristics are less relevant. They include past political activity, high earnings in the practice of law, civic activity and activity in professional associations. I expect to be judged in turn by the members of this house on the appointments that this government makes. Judges should be selected on merit and competence. I think they should be independent and not

appointed on the basis of reward or favour. As Thomas Jefferson said:

> Judges should always be men of learning . . . they should not be dependent upon any man or body of men.

Since the quality of our justice will be measured by the quality of our judges, there will be no other aspect of the responsibility of this department which will involve more of my time and my conscience than this.

Let me draw to the attention of hon. members the fact that the English high courts of justice have for centuries been the centre of English justice. Those of us who are dedicated to the law cherish the invaluable traditions and enlightened jurisprudence that it has spawned. I see on the other side a number of learned counsel, some of whom I have pleaded against.

Mr. Nielsen: And with.

Mr. Turner (Ottawa-Carleton): Yes, and with. In 1882 the home of the law courts was moved to its new building. At the end of the dedicatory ceremony Queen Victoria concluded her address with these words. I do not know who wrote them; it might have been the Lord Chancellor. She said:

> The independence and learning of the judges supported by the integrity and ability of the other members of the profession of law are the chief security for the rights of the crown and the liberties of the people.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I listened attentively to the comments of the Minister of Justice (Mr. Turner), of course, as he was giving us the reasons for his introducing an act to appoint eleven additional judges of the Superior Court of Quebec and three additional judges for county and district courts of Ontario.

The reasons given by the minister are based mostly on the fact that since the provinces have assumed the responsibility of divorce courts, a number of additional judges must be appointed. Some of the actual judges could help those who go before those courts. In my opinion, there are reasons other than the ones given by the minister, namely to follow the recommendations of the provinces which have requested the appointment of additional judges, because as far as the province of Quebec is concerned, more judges have been needed for a long time.

Let us consider the situation prevailing in the districts where we practise our law. I might talk about the district of Saguenay where I practise law more actively. Cases have been entered on the docket of the Superior Court which have been in abeyance for four or five years. Similar representations have already been made to the government in this house. I did so myself last year when we considered legislation aimed at increasing the judges' salaries.

It is obvious that if the provinces are entrusted with the administration of divorce courts, the result will be for some time an added work load for our Superior Court judges. The minister will admit however that the cases now before divorce courts are latent cases which have been there for a long time, and since the reasons for divorce have been extended, people with problems have naturally decided suddenly and immediately to bring them before the courts. I do not agree with the minister when he says that, according to his information, there would be approximately 3,000 to 4,000 cases on the docket for the first year—

• (3:50 p.m.)

Mr. Turner (Ottawa-Carleton): There are not that many until now, but it is expected that 3,000 cases will be put on the docket during the first year.

Mr. Asselin: Is the minister talking only about the district of Montreal, the district of Quebec or the whole province?

It is obvious, as I said earlier, that the fact that the provinces have been entrusted with the administration of the divorce courts will give more work to the Superior Court judges. But those courts must try to decide quickly the cases which are submitted to them.

I think also that corrective measures can be taken. The minister is responsible for the appointment of the Superior Court judges in the provinces, but the provinces administer justice under the constitution.

The minister, the federal government are often consulted on the appointment of judges of the Superior Court to federal or provincial royal commissions. We have had examples of that in the past, when judges of the Superior Court presided over royal commissions, federal or provincial, and were absent from the bench for three or four years. In fact, this happened in the case of the inquiry instituted on pilotage. That commission was instituted by us, and we saw a judge devote three or four years to the study of the matter, the hearing of witnesses and the submission of his report to the government.

I think that the federal Minister of Justice should, during meetings of the attorneys general of the provinces, bring the provinces to understand that Superior Court judges should not accept functions other than those to which they have been appointed by the governor in council or by the minister himself. Indeed, when one, two or three district judges are assigned to pseudo-judicial matters, the whole organization, the operation of justice of the province changes immediately in the areas to which those judges were formerly assigned. The backlog of cases to be heard can be blamed on the fact that, often, with the agreement of the Minister of Justice—not the one we now have but some of the former ministers—judges of the Suprior Court were loaned to the provinces for an indefinite length of time to study matters which do not fall within the jurisdiction of the courts or justice, but which are really pseudo-judical.

The Minister of Justice must, when he meets the provincial attorneys general, tell them very clearly that in the future, when the provinces or even the federal government, need someone to preside over an inquiry, they must appoint an expert in the field concerned, swear him in for the duration of the inquiry and give him the powers enabling him to have the same prestige and the same authority as Superior Court judges. To my mind, this would not affect the administration or organization of our courts of justice.

I insist on repeating what I have already said a few times in the house: it is imperative for the minister, our Minister of Justice, to impress upon the provincial attorneys general and the ministers of justice, that this practice must come to an end. Each time we want to establish a commission of inquiry in a province, a judge of the Superior Court has to be loaned for a period of three to four years.

Of course, Mr. Speaker, we are not opposed to the appointment of judges, as provided in Bill No. C-114. The hon. minister has just said that he had set criteria for choosing judges who would be appointed following his recommendation to the governor in council.

It is obvious that the first criterion which must guide the minister, when he chooses a judge of the Superior Court, is the latter's good knowledge of the law. At this stage, I would like to point out that even if, in the past—it may also happen in the future—the minister has appointed a judge who was once a politician, that was not a reason to come to the conclusion that he did not know the law. On the contrary, very often he shows himself more human because of that.

I do not mean to say that the minister should eliminate a candidate who was involved in politics and who possesses the qualifications described by the minister a few moments ago. A competent man, an honest man, one who knows the law, has a good reputation as barrister and is capable of dispensing justice in a humanitarian way should be considered as a good candidate.

Before continuing my remarks, I should like to ask the minister a question. In his opinion, is the fact that a lawyer was once actively engaged in politics an obstacle to his appointment as judge? As was said earlier, perhaps that depends on the political affiliation.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, a job in the public service is naturally not an obstacle.

Mr. Asselin: That is the answer I wanted to hear from the minister. The fact that a man served his country or his province, or that he was a civil servant, is not an obstacle if he possesses as well the basic qualities mentioned by the minister earlier.

One of my colleagues tells me that it depends on the political affiliation. I hope that when the minister makes his recommendations to the cabinet, he will be able to think of candidates other than those who have served in his party. There are people who have left parliament, who were members of political parties other than the Liberal party, and who are competent lawyers; it would be a gracious gesture on the part of the minister if we could see a few of those names on the list of judges that he will appoint under the legislation he has introduced.

There is also another problem, Mr. Speaker. It is very difficult in several cases, for the minister, to convince a judge who is ill to hand in his resignation, because he is unable to render the services expected of him. I am not talking about the judges on the bench at the present time, but in the past we all know that in order to remove from office a judge who did not want to resign, a petition of both houses was required, and it was a rather complicated procedure. Often the Minister of Justice is placed in a rather difficult position. I think that the minister should also consult the provincial attorneys general to devise a formula or to introduce new legislation so that three or four judges of the Appeal Court be empowered or have the necessary prestige to say to a judge: Your health makes it

impossible for you, on the basis of the reports we have received, to carry out your duties on the bench and you have to resign. I do not know how we could introduce such legislation, but I think that we will have to consider, some day, bringing about a change in the way the judges can be removed from office, so that the purposes of justice may be attained.

At the present time, judges can be retired at 75 when companies put their officers or their employees on retirement at 65. I do not suggest that somebody who is 65 years old and over is not clear-headed, is unable to judge and occupy a judge's position but I say that we should consider retiring our judges at 70.

I think that the Minister of Justice should also consider appointing younger people as judges. In the past, we appointed judges when they reached the age of 50, 55 and over, but today the minister should feel free to appoint people in their forties who have all their ability and their health to render the services they will be called upon to perform.

Of course, we agree to the passing of this legislation but, at the same time, we should like the minister to take into consideration the representations which we made concerning the appointment of judges, the administration of the tribunals jointly with the provinces. When federal-provincial conferences are called, he might discuss these matters with the attorneys general because I think that the minister, like everyone else in this house, wants justice to be dispensed in the interest of the ordinary people so as to better serve our society.

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, it is with some reluctance that one enters a debate filled with speeches by gentlemen who have the classification "learned" attached to them. I hope I may be able, in ordinary layman's language, to express some views which are understood. Whenever I see a bill of this nature involving justice and appointments by the crown—by the minister or by the Prime Minister (Mr. Trudeau)—I cannot help but be reminded of the campaign slogan of the Prime Minister: "Come, work with me".

• (4:00 p.m.)

We want to tell the government and the minister that, regardless of all that we know, the Canadian people love Pierre, they trust him and they know he is going to do the right thing in terms of such appointments. We know about the just society, about the desire for the new look and about the new politics of the Prime Minister and the Minister of Justice. The era is fast approaching when adherence to a political faith will not be the criterion for appointments to boards and commissions, to the bench, to the Senate and to all of the other places which by tradition have been a haven for those who have been faithful to the party in office. We know this is not going to exist any more.

In that regard I was very pleased to hear the Minister of Justice say that the prime consideration in the appointment of members to the bench will be their competence and abilities. Of course, other ministers before him have said the same thing. Saying it does not mean it is going to be true, but we trust that Pierre and his cohorts will do the right thing and will bring about the new politics.

We hope that the practice of past governments of appointing to boards and commissions only people of their own political stripe will come to an end. We believe, like the government does, in the new era of politics. But we know that there are some Liberals who do not believe in it and do not want to put it into practice. One of them, for instance, is John Matheson who was parliamentary secretary to the Prime Minister. He does not believe in the just society. He believes that there should be political appointments, and that is why he accepted one not too long ago as a county court judge. However, Mr. Matheson is a rare individual.

Paul Tardif is another rare individual in the Liberal party. I gather that Paul Tardif did not run again as a candidate in the area now represented by the Minister of Justice and that he is one of those rare individuals who believe in political appointments. That is why he accepted an appointment as a judge of the citizenship court. This is not a political appointment but one based purely on competence. Of course, with all respect to Paul Tardif, during the time he was here he did not prove his competence to any marked degree.

There is also James Byrne, the former member for Kootenay East, who did not run again. He does not believe in the just society but he does believe in political appointments. He does not believe in the new politics because he accepted a $19,000 a year membership on the immigration appeal board. I know the minister does not like to hear this but I could go down the list and recite the names of many others like Roger Teillet, Jacques

Tremblay, Lloyd Axworthy, Paul Martin, and Mr. Robichaud. The list is interminable.

Mr. Knowles (Winnipeg North Centre): Do not forget Jack Pickersgill.

Mr. Howard (Skeena): Yes, but at least Mr. Pickersgill had the honesty to come to parliament and say, "I want to set up a commission so I can be appointed as its head".

An hon. Member: Does the hon. member know of a better man for the job?

Mr. Howard (Skeena): We say, go ahead Jack, that is the way to do it.

An hon. Member: Is he incompetent?

Mr. Howard (Skeena): Quite frankly, I wish that every member of this government had the competence of Mr. Pickersgill. We would be a lot better off in this nation because I have great admiration for Mr. Pickersgill's ability. It is too bad he is gone and there is no substitute for him in the present government.

We know the Prime Minister does not want to follow the old practice. However, more is required than just saying that political adherence is a less valuable asset than some of the other assets considered in appointments. Action of the proper kind is required not only in regard to the appointment of 14 additional judges now but with respect to future appointments not only to the bench but to boards and commissions. We hope this will take place. We hope the Prime Minister will resist the opportunity of appointing his friends to boards and commissions, which of course he has not resisted with too much vigour up to now. But we live in hope and we trust Pierre. We believe that the words of the Prime Minister, "come, work with me", will not only apply to his political friends but will also apply to other people, and we will wait to see whether or not this will be so.

One important point with respect to the bill concerns the matter of justice before the courts. I spoke to a couple of my colleagues in the New Democratic party who are lawyers and they told me that, generally speaking, they try to refrain from using the word "justice" in regard to appearances before the courts because in fact it does not always prevail. There is a legal saw to the effect that for justice to prevail it should not be delayed. In other words, there should be ready access to the courts, whatever the point of litigation or case may be. There should be no impediment in the way of an individual or individuals coming to court and receiving a speedy hearing and a speedy decision, regardless of what it may be.

Although I have no personal experience in this matter I have spoken with lawyers who have told me—perhaps the Minister of Justice has also had this experience, as well as the hon. member for Calgary North (Mr. Woolliams) who spoke at the resolution stage and the hon. member for Charlevoix (Mr. Asselin) who is a lawyer—that it is not difficult to find cases being delayed for months before they receive a hearing before the courts. In many cases people who are charged with a criminal offence linger in jail waiting for their case to come to trial. In the case of people involved in civil cases there is often an interminably long delay in having their cases brought before the courts, partly because of the calendar of the court, partly because of the fact that judges are overworked and overloaded with cases and also partly because of requests for delays on the part of counsel for either of the parties.

The last factor is one with which I do not think we can deal here because a lawyer has to operate in the best interests of his client and if it is necessary to ask for a postponement he should be able to do so within certain limits. We know there are abuses in this area also and that lawyers with what they consider to be poor cases will ask for remands, delays or postponements hoping that someone will get weary, that they will be able to make an out of court settlement, or will amass some new information to strengthen their case. This is not something with which we can concern ourselves except perhaps in an academic way. We can concern ourselves with court calendars, the work load of judges and so on which result in people being unable to get a proper or speedy hearing of their cases. How this can be done the Minister of Justice will be better able to decide than I because of his familiarity with the structure of the courts and his position now as Minister of Justice. It may require some consultation with the provinces because the administration of justice is in their hands. It may require some amendments to federal statutes or some action on the part of the minister under the authority he has now. I put this forward only as a general proposition about which some action should be taken.

• (4:10 p.m.)

It seems to me too that the proposition should be self-evident that in order for a

person to be a good judge he should have been an active participant in cases before the courts. This would give him some understanding of how the court system works, how the judges operate and so on. This should be a requirement before a person is appointed a judge.

Perhaps it might be helpful in this regard to have a system of apprentice judges. These persons would not be appointed as full judges who would immediately start to make decisions on cases but would spend their time as assistants to full-fledged judges. They would spend their time in research and study of the various types of jurisprudence with which a particular court is involved. In addition to adversary training in court such persons would also get some training in the theoretical approach by studying case histories, the way courts operate, the way judges operate and this sort of thing. In this way such a person would work his way into the court system and would then be more competent and a better judge than might otherwise be the case.

I should like to mention a point which is perhaps a bit afield from the bill before us. It concerns a part of our judicial system and I think it could perhaps be dealt with at this time. I shall be brief so I hope Your Honour will not stop me. The provinces of British Columbia and Ontario, and I do not know how many others, have a legal aid system in effect. The system provides legal aid to people who cannot afford to employ a lawyer.

Some time ago the hon. member for Calgary North made quite a telling statement on this subject, the validity of which I accept because of his experience in the field of law. He referred to the fact there are two types of justice meted out in our courts, namely, that which is received by the rich and something else which is received by the poor. I gather that if you are involved in a court case and have lots of money you have the ability to hire top-flight lawyers and expert witnesses who may be required. Ultimately, I understand, you get fair consideration for the money you pay. However, if you are some poor slob who does not have any dough and you have to appear before the courts, the chances are you will not have the financial ability to employ the necessary legal talent to ensure that your case is properly presented to the court. As a consequence the legal aid system came into being under which an individual can obtain the benefit of a lawyer. I gather there is a roster or a rotating process. I hope it works differently from the roster the Prime Minister announced for the attendance of ministers during the question period. Incidentally, I want to say jokingly that the attendance system instituted by the Prime Minister is not too bad because it allows some incompetent ministers to be out of the house some of the time, so they do not embarrass the government. I do not include the Minister of Justice in that category.

Mr. Knowles (Winnipeg North Centre): The three who are here now are not bad.

Mr. Howard (Skeena): In any event, the legal aid system means that a person charged with an offence—I assume this is just in criminal cases and I do not suppose it applies in civil actions—even though he cannot afford a lawyer, is provided with a lawyer. This lawyer receives from some source certain fees. Perhaps I am wrong there, but I have been given to understand that certain fees are paid. I do not know the source of this money. It may come from the provincial government or partly from the bar society. I believe that if money is available from the provincial government for this legal aid system and from the bar association, the federal government, having concern for the quality of justice, should be able to participate with the provinces in financing the legal aid system. Perhaps the system could be expanded into areas where it does not now operate. I do not know whether it is now in effect in all the provinces and the Northwest Territories. I believe the federal government certainly has a moral obligation in this field, particularly because we enact the criminal law. We say what will be a criminal offence. We set up the system for the appointment of judges.

The federal government should be concerned also about ready access to the courts, and particularly that an individual may have qualified legal advice available to him when he appears in a court. I believe the federal government could help this system and expand it by putting up a little bit of the money and working out some co-operative venture with the provinces. I believe this is the sum and substance of what we wish to say. I cannot wind up my speech with a quotation from Mr. Jefferson, as did the Minister of Justice. I can only wind up by hoping that what the minister says he is going to do he will, in fact, do.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, our contribution to the study of Bill No. C-114 perhaps will not be negative since this

bill, which makes provision for the appointment of eleven new judges of the Superior Court, is insufficient in our view. We are certainly in favour of the bill, but we say to the minister that eleven new judges will not be enough to settle the cases pending in the various courts.

Today, the image of justice unfortunately leaves much to be desired, because of the slow administrative procedure, at least so far as the judicial districts of Montreal, Bedford, Sherbrooke and even Quebec—which I know—are concerned. The delays of the legal process gives the people a distorted image of justice. As a matter of fact, the addition of eleven new judges will not be sufficient to help speed up the hearing of cases.

Having consulted with many lawyers in various Quebec judicial districts, because those are the districts I know best, I reached the conclusion that we do not need eleven new judges to solve Quebec's problems, but rather one hundred. So that the Minister of Justice (Mr. Turner) does not feel this figure to be unduly high, I advise him to look at the docket of cases which have been pending not for six months, but for two, three or four years, which are ready to be heard and in respect of which hearing procedures have been completed. However, there is a shortage of judges and, for that reason, the administration of justice drags on and on, and both defendants and claimants are deprived of the justice they ask for. From a legal standpoint, this has become a scandalous situation.

Some friends of mine who are lawyers have had for years some of their cases pending before the Montreal courts where, in the meantime, solvent defendants have become insolvent before their cases could be heard by the Superior Court. The same situation prevails in almost all the tribunals of the province of Quebec judicial districts. From time to time, it is said that this is due to a space shortage and that there are not enough court facilities. However, some judicial districts have developed a good system whereby, in some places municipal halls have been rented in order to help the judges solve the space problems. This is the case in the judicial district of Bedford, where one or two judges of the Superior Court hold sittings two or three times a week in the Granby city hall, in order to render judgments and to expedite cases on the docket. This method should be adopted in several other judicial districts.

When I hear about the shortage of space and court buildings, it strikes me that after 1 p.m. most courts are deserted. Court sittings begin at 10.30 a.m. and adjourn at 1 p.m. I admit that after hearings judges must refer to the statutes, review their notes, write their decisions and that it is impossible for them to sit during the afternoons. I can understand this situation, but it seeems to me that the Minister of Justice and Attorney General should make representations to the provincial ministers of justice in order to have justice administered in a more expeditious manner. It should be suggested to the latter, if possible, that a number of judges sit in the afternoon and prepare their decision in the evening. Also, other judges could sit during the evening and make out their decision the next day. This method would permit the hearing of three times as many cases in the same amount of time. Yet they would have time to prepare their judgments, to refer to case law and to deliver a just sentence to both the defendant and the plaintiff in a given case. Countless witnesses, subpoenaed for 10.30 a.m. on a Monday or a Tuesday, have to return home without having been called upon because of the slow progress of justice. They have to be called again; a much greater number could be brought in during night sittings.

• (4:20 p.m.)

I know many lawyers who would not mind acting as counsels during evening sittings under such arrangements. Hearings would therefore take place in the evening as lawyers have office work to do during the day. They would appear in court in the evening, and their cases would be heard much faster instead of having them on the cause-list for three or four years running. Often their cases which were good at the beginning became less so or poor because of the slowness of justice.

The hon. Frédéric Dorion, chief justice of the Quebec Superior Court has been complaining about that situation for years. His assistant judge Challies has also been complaining for several years about the shortage of judges for our courts. I am convinced that it is not by appointing only eleven judges today, and especially after giving them another duty to perform, namely divorce cases that they will have to hear in the future, that we will solve the problem of our courts.

For a government which is proud to claim as its motto "a just society", I say that the first duty of a just society is to see to it that justice works more quickly. If our judicial procedures are so complex and lingering that

plaintiffs cannot see the day when a judge can here their case, then justice deservedly projects the poor image to which Canadians are unfortunately accustomed.

I think of the numerous cases of car accidents where insurance companies take advantage of the snail's pace of our justice to drag on cases in the courts. The plaintiff who had an accident faces problems; he must pay hospital bills, doctor's bills, the cost of automobile repairs, dentist bills, and though he is often unable to work as a result of an accident; he must go on. But if his case is in the hands of the insurance company with which he is insured and drags on before the court, he can face extreme financial hardships.

This snail's pace allows Insurance companies to drag on and on, and to drive the plaintiff to a position where, before the hearing of his case, and owing to the troubles caused by his accident—and this is but one example—he will have to reduce the amount of his claim, maybe from $25,000 to $5,000. I have seen it happen. This enables the insurance companies to settle for a mere song. And in those cases, plaintiffs are deprived of their right to justice because their patience is exhausted, because they are beset by financial problems, and because they could not come before the court. They have a legitimate claim, but they give it away for a song. Besides, when insurance companies make dilatory pleas to delay the hearing of a case for two or three years, they save interest. Indeed, when a case is settled out of court with the plaintiff, those companies save huge amounts of interest money. As attorneys in this house know, interest applies when a judgment is passed. But when there is no decision, and the case is settled out of court, in most cases insurance companies save interest. Those companies which loaned the money they would be called to pay some day, loaned their money with interest.

Now, Mr. Speaker, here is my argument. When the course of justice is delayed far too long, as is the case at present, that becomes an injustice; only by appointing eleven new judges can we manage to settle thousands of cases pending before the Superior Court in the Montreal area, for instance, and the hundreds of others which lawyers are ready to plead but cannot for lack of judges to hear the cases.

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I shall only take a few moments this afternoon because I think we have already had quite a lot of discussion on this measure.

First of all, I should like to deal briefly with a report that appeared in the Canadian Press stating that in some previous remarks of mine I had criticized the Supreme Court of Canada. I did not raise this matter as a question of privilege but I should like at this stage to refer to what I said, as reported at page 879 of *Hansard*:

> In defence of the Supreme Court of Canada may I say that I think its judges are overworked. The judges of that court do not receive the assistance given to judges of the supreme court of the United States, who have many lawyers behind them to help them in research. In this country our judges have no such facilities and that is why they are overworked, no doubt.

• (4:30 p.m.)

I went on to say that instead of cutting down the number of cases coming before that court we ought to increase the number of judges.

There was another mistake in the article. It reported that I had referred to the question of jurisdiction as being based on a minimum of $2,000. Actually I think I said that the old minimum was $2,000 and that one could appeal on a question of law or of fact and law. In the new act this will be narrowed down to a question of law. When I read the article it seemed to me that the wrong impression was left on the question of jurisdiction.

As I understand the new legislation which is before the other place and which Senator Roebuck has discussed, it seeks to limit the jurisdiction of the Supreme Court of Canada to cases involving a minimum of $10,000. The jurisdiction of that court is also narrowed considerably to questions of law only. The whole point of my previous speech was, as Senator Roebuck said, that by setting that amount with respect to the jurisdiction of the Supreme Court of Canada, the ordinary people of Canada are debarred from obtaining justice. In other words, jurisdiction is being set on a materialistic basis. Anyone wishing to appeal an action for $10,000 where questions of fact and law are mixed would not be able to appeal to the Supreme Court of Canada.

I now want to reply to some of the remarks the Minister of Justice made about the exchequer court. We expect the Minister of Justice to defend the exchequer court, just as we expect him to defend the R.C.M.P. when

that body is attacked. Without doubt, someone in the minister's department looked into the matter I am about to raise. Let it be understood that in talking of the exchequer court I am not trying to slight the personnel of that court.

An hon. Member: Never.

Mr. Woolliams: I hear some hon. member muttering. If he has something to say, let him stand up and say it.

Some hon. Members: Hear, hear.

Mr. Woolliams: Too many people speak from the bottoms of their pants rather than from the tops of their heads.

Mr. Howard (Skeena): What's the difference?

Mr. Woolliams: If the exchequer court is so full of equity let the Minister of Justice say why the claim of the Indians on the Blackfoot reservation, a claim respecting oil rights, has been before that court for a number of years. I will tell the minister the reason. The Indians cannot obtain money from the Department of Indian Affairs to pay the costs of a very expensive lawsuit. They cannot obtain justice. Let the minister answer that.

Many lawyers would not raise the points I am raising; they are frightened. No doubt I shall appear before that court again and someone will refer to what I have been saying. I am not afraid. I am not one of those who will stand up and say that everything is fine. I do not believe that all institutions are sacred cows. Sometimes some matters have to be spoken of frankly. That is what democracy is about. If we are to have a just society we must have reforms. We must not allow the status quo to continue if it does not suit our purposes, and here I differ with our conservative Minister of Justice.

The minister cannot in all honesty say that the average citizen of this country is able to litigate in the exchequer court. It is not so difficult for those living in central Canada but for those living in Vancouver, Alberta or even Saskatchewan—

An hon. Member: Or Newfoundland.

Mr. Woolliams: Yes, or in Newfoundland—it is extremely difficult to fight expropriation proceedings. Our citizens must come here and fight the Department of Justice itself.

I remember one instance where officers of the department refused to answer certain questions on examination for discovery. I do not know how many questions one officer objected to answering. Finally we had to obtain a judge's order forcing the department's officers to answer our questions. That was expensive.

Who pays for a lawyer to fly the 2,600-odd miles from Calgary to Ottawa? Who else but the poor old client. The point is that if jurisdiction in these matters were given to the trial divisions of the superior or supreme courts of the province, the average citizen could afford to litigate. At present he cannot afford to.

Our conservative Minister of Justice may not have been the kind of lawyer who represents the average man. He may have dealt with corporations, and corporations can afford the luxury of litigation. The average man cannot. We need reforms in this area if our society is to become a just society.

Mr. Turner (Ottawa-Carleton): Go on.

Mr. Hees: That is quite true.

Mr. Turner (Ottawa-Carleton): Go on.

Mr. Woolliams: That is not all. Everyone knows that the lawyers assigned to defend poor people under legal aid are not of the same calibre as those who are retained by corporations.

Mr. Hees: Hear, hear.

Mr. Woolliams: We must have reforms in our exchequer court. I could easily say that it is the greatest court in the world and, when I appeared before that court, expect someone to say, "Good old Eldon, isn't he wonderful?" We must have reforms if we are to arrive at a just society and if we are not to have one law for the rich and another for the poor.

Frankly, I am shocked by the rules governing the court and I say to the Minister of Justice that those rules are identical with rules governing certain British courts. Similar rules governing the trial divisions of certain provincial courts were rescinded several years ago. The rules set out how one must come before the court and what steps one must take to do so. Those rules ought to be rescinded and jurisdiction in exchequer court matters given to our supreme and superior courts. The exchequer court, in a manner of speaking, was set up for the benefit of the crown and as such, as many lawyers will tell you, it is pro-crown. If litigants had cases tried in provincial courts they would have a better day in court at less expense.

In case the Minister of Justice says: We are not holding anyone up; anyone who wishes may litigate before this court, I ask this question. How many cases having to do with the Green Belt have come before the exchequer court recently? How many people have had to litigate in that court to recover money they were entitled to as compensation for land taken?

• (4:40 p.m.)

The Minister of Justice talks about justice, but let me tell you, Mr. Speaker, how they took land for the national parks. They filed an order in council with a map in the land titles offices in the prairie provinces. They never notified the owners. The owners only got to know about it when they searched the titles.

I know of one lawyer—I shall not mention any names—who for four or five months asked a simple question with respect to an opinion from the legal officers of the Department of Justice. He never received an answer. Prying out information in order to get into the Exchequer Court is pretty difficult. I have had that experience, and I speak with some experience.

When I say that that court is pro-crown naturally I am not passing a slight on the judges of the court, but I do say that court is set up more to serve the crown than to serve Canadian citizens. I do not think people have really thought about these rules and about how much it costs the average citizen to litigate in that court. The routine is that one draws pleadings as in any court and then one has to make an appearance to find out what the issues are. Then the court makes an order. Some of the judges in that court will assist counsel by travelling to various areas throughout Canada. In that regard they have been most gracious, but the procedure is still costly.

Why do the judges of the trial divisions of the supreme and county courts not have the jurisdiction? Why is this jurisdiction lodged in a special court called the Exchequer Court? I would like the Minister of Justice to say why it must have the jurisdiction. What would be wrong with the trial divisions of the Queen's Bench in the various provinces having that jurisdiction? What is the crown afraid of? What are the great governments that have the staff, the power and the money afraid of when they are litigating? If the minister can answer that question then I will listen to him on reform because I believe in legal reform.

Before he became Minister of Justice the minister made a great speech—I read it in the newspapers—on the subject of legal care. This is something that will come; the minister says it has to come. I point out that this country is having trouble finding enough money for medicare, but we might cut down on legal care costs if we provided less costly litigation procedures whereby the average man could arrive at the door of justice. That is what I am talking about.

When I made one point of criticism of the Supreme Court of Canada I was not criticizing the court itself. I was speaking about a decision in reference to the interpretation of a contract. Lawyers have been criticizing the decisions in cases for years but that does not mean they are criticizing the court. I have said that the court is overworked, that it needs more judges and that in my opinion it has done a great job. I am very thankful for the fact that that court was established in Canada. It was a Liberal government that established it, and it is now the final court of Canada. We no longer need to go to the judicial committee of the privy council in England. That was an important legal reform.

I believe, Mr. Speaker, there is one other hon. member who wants to say something on this bill. We would like to see it receive second reading and, if the other parties agree, there is no reason why we cannot give third reading to it today and pass it.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I will make a few brief comments. First of all, I would like to tell the Minister of Justice (Mr. Turner) that the viewpoints expressed by the member for Shefford (Mr. Rondeau) are, of course, shared by all the members of the Ralliement Créditiste.

As was also mentioned by the hon. member for Shefford, I would like to remind the hon. minister about the problem of the administrative tribunals. I am deeply interested in this subject on which I have tabled a motion that will be discussed at some future date. I would like at this time to discuss this matter and, briefly, the administration of justice generally.

Mr. Speaker, justice has now become a political question. This is a regrettable situation in our organized society where everybody has now in mind the "just society" motto. Mr. Speaker, justice must be free of politics in order to ensure its efficiency and its

survival. I was quite interested a few minutes ago, to hear a comment voiced by a member of the New Democratic party who said that justice should be accessible to all whatever their social rank, their economic status and especially to those less fortunate economically. I agree with this concept. Justice must be available to all.

Nowadays, the administration of justice is directly proportional to the money involved and the property at stake. This is inconceivable and I would like the minister to consider this problem. It is often said that justice should at no time be related to a person's economic standing.

The Minister of Justice has already made several speeches proposing a judicial reform which would include the provision of legal aid to the needy. I should like to tell the minister that we support him completely in this and that we insist that he take steps quickly to carry this suggestion into effect.

Mr. Speaker, the Glassco commission suggested that the government give careful and thorough consideration to the matter and introduce clearly defined legislation on administrative tribunals. This legislation, which I am asking the minister to table as soon as possible, would aim at giving effect to the recommendations of the Glassco commission concerning administrative tribunals, for the government is not discharging its responsibilities at the present time. Therefore it is the responsibility of the members of the opposition to study this subject, so that the rights of the individuals may be respected.

Mr. Speaker, I said that this motion implements the recommendations of the Glassco commission and I want to quote a few for the benefit of the honourable members of this house because I think that it is worth-while:

> The administrative tribunals of the federal government have never, to the knowledge of your Commissioners, been the subject of systematic study. Nor does there exist a definition of what bodies should be considered under this heading . . . There are widespread differences in the procedures followed by the tribunals, either as a result of differing statutory requirements or because of decisions taken by the boards themselves. No uniformity or consistency of principle was observed among them in respect of such matters as the obtaining of evidence and its disclosure to interested parties, the examination of petitioners and witnesses, the publicity to hearings and other proceedings, and the form and publications of decisions, rulings or reports.

And that is serious, Mr. Speaker.

I continue:

> Generally, your commissioners—

[Mr. Fortin.]

The commissioners of the Glassco Commission

> —have been struck by the lack of uniformity that is characteristic of the legal status, the composition and the procedures of such courts. They have noticed that these questions have been very much discussed for 30 years or so, that they were the subject of inquiries in the United Kingdom as well as in the United States, and that the legislator has tried to give uniformity to the principles on which the commissions are based as well as their constitution and their procedures. Nothing similar has been done in Canada and, after some observations by the commissioners in this important field, a comprehensive inquiry would be necessary.

I have been quoting from pages 72 to 75, volume 5, of the 24th report of the Royal Commission on Government Organization.

Mr. Speaker, that recommendation was made in 1963 and since then absolutely nothing has been done in that regard. In view of the inertia of the government when it comes to defending the rights of the citizens, we have to take the initiative.

I would like to point out, Mr. Speaker, that other countries have acted long ago in that field. France, for instance, has a highly developed system of administrative courts. In England, the British government set up a royal commission which reported in 1932 and its report is known as the Report of the Lord Chancellor's Committee on Minister's Powers. The Frank committee, set up in 1955, submitted its report in 1957. It is known as the Report of the Committee on Administrative Tribunals and Inquiries. It resulted in the creation in 1958 of a permanent body to supervise administrative tribunals which is called the Council on Tribunals.

I will not bore the house by reading the whole document, but one could go on and on giving further examples of what is being done in other countries as far as this important problem is concerned. I think that the implementation of a clear and specific legislation concerning administrative courts could easily and happily come within the judicial reform contemplated by the minister. We have a great deal to do in that field and it is time we assumed our responsibilities.

Mr. Speaker, I would like to say something else. In a way, justice must have all the time needed to make sure that its decision is valid. However, because of the dilatoriness of our institutions, the settlement of a case should not be delayed, since that is inevitably prejudicial to both parties. Justice must be cautious and efficient at the same time, and in that connection, I support the hon. member for

Shefford (Mr. Rondeau) who urges the minister to appoint a greater number of judges to speed up justice and increase its efficiency.

In concluding my remarks, I should like to congratulate the minister for introducing bill C-114, and I hope he will introduce other bills of this kind, so that justice will be a reality, especially in the case of underprivileged people.

• (4:50 p.m.)

[*English*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I shall forgo the speech I had planned to make because I think we can pass this measure before five o'clock. I wish to ask the Minister of Justice a question but first of all I should like to preface it in this manner. The remarks of the hon. and learned member for Calgary North (Mr. Woolliams), about the Exchequer Court of Canada were quite impressive. I believe it is important that justice not be remote from the people and that the courts be as close to the people as they can possibly be. This is a point we made without success during the consideration of the divorce bill. We attempted to have a provision included that would automatically give county court judges jurisdiction in divorce matters.

I should like to ask the minister whether these 11 new judges of the Superior Court of Quebec will all be charged with jurisdiction in divorce cases. If he nods his head "yes" I will have completed my speech. He does not nod his head and therefore I shall ask him during the committee stage to give an explanation.

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

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Faulkner in the chair.

On clause 1.

Mr. McCleave: Mr. Chairman, is the Minister of Justice prepared to answer my question at this point?

Mr. Turner (Ottawa-Carleton): During the second reading stage the hon. member asked me whether the 11 new judges would all be employed in the divorce division. As I understand it, one out of the three judges in the Quebec appeal district is being appointed because of the increased jurisdiction relating to divorce, and five out of the eight judges in the Montreal appeal district. They will not be divorce judges. As judges of the superior court they will be assigned on a rotating basis to various divisions of the court as is the case now in respect of the bankruptcy division and so on.

Mr. McCleave: I compliment the minister on that answer. The fact is that none of them is a divorce judge per se. They will simply be assigned to that duty. The minister nods his head indicating he is content with what I have said and therefore I also am content.

Mr. Howard (Skeena): Has the minister or the government looked at the possibility of participating with the provinces in helping to finance the legal aid program and extend it if necessary?

Mr. Turner (Ottawa-Carleton): We are reviewing the legal aid programs in the provinces at the moment to see what distinctions there are in the various systems. I shall not be in a position to answer this question until we have the factual background.

[*Translation*]

Mr. Asselin: Mr. Chairman, since the administration of justice comes under provincial jurisdiction, I should like the minister to tell me whether the provincial ministers of justice or attorneys general make recommendations to him, as regards the appointment of judges.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I wonder if I have understood the question correctly. Does the hon. member want to know whether the provincial attorneys general recommend certain appointments?

Mr. Asselin: Yes, Mr. Chairman.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, it does not happen too often.

Mr. Asselin: Mr. Chairman, I should like to know if the provinces decided to make such recommendations, whether the hon. minister would consider them.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I receive suggestions from everywhere.

Mr. Asselin: Mr. Chairman, I should also like to say that I come from a rural area, and it can be said that good lawyers of rural law associations have not always been treated fairly with regard to the appointment of judges to the Superior Court as made by the Department of Justice. In view of the fact

that eight judges will be appointed in the Montreal area, I should like the minister to tell us whether he also intends to accept the recommendations coming from rural areas in the vicinity of Montreal?

Mr. Turner: Mr. Chairman, it is wise to continue to appoint members from rural law associations, because I feel that they are entitled to a certain percentage of the appointments in the two districts.

Mr. Asselin: Mr. Chairman, I should also like to know whether the minister intends to bring up at the next conference of provincial attorneys general the matter I mentioned on second reading of the bill, namely the problem of judges who are appointed to judicial and not pseudo-judicial posts?

Mr. Turner: Mr. Chairman, I have already mentally accepted the good suggestion of the hon. member.

[*English*]

Mr. Benjamin: For my edification, if for no one else's, could the minister say what the difference is between judges and junior judges? My understanding is that both receive the same remuneration.

Mr. Turner (Ottawa-Carleton): They both receive the same remuneration but when there are two or more judges in a judicial district it is customary that one be perhaps the chief judge of a district and the others junior judges.

Mr. Benjamin: Is there any difference in the work they handle?

Mr. Turner (Ottawa-Carleton): The chief judge has the additional duty of administering the court and assigning roles to the various junior judges.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

An hon. Member: By leave, now.

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

[Mr. Asselin.]

• (5:00 p.m.)

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

EXPROPRIATION ACT

SUGGESTED MORE BUSINESSLIKE AND JUST TREATMENT OF PROPERTY OWNERS

Mr. Hyliard Chappell (Peel South) moved:

That, in the opinion of this house, the government should consider the advisability of giving immediate consideration to amending the Expropriation Act so that an owner whose property is expropriated will be dealt with in a more businesslike and just manner, and more particularly so as to provide for a notice before the expropriation takes place, for a substantial advance of money at the time of taking property, for the spelling out of measures of compensation, for the change of interest rate to the bank rate of interest, and, finally, to provide that if property is affected or invaded in part by an act on the part of expropriating authorities, the owner may call upon authorities to take all his land or property.

He said: Mr. Speaker, my motion relates to the need to change our attitude in matters of expropriation. On September 19 I spoke of the shortcomings and the antiquity of the federal Expropriation Act, born in the agrarian atmosphere of the last century and static ever since. While we all agree that law should be stable, it is wrong for it to stand still. A law that is out of date does not warrant respect, and if any one of our laws is in this disrespect a shadow of disrepute falls over the whole process of government. I then asked that the principles upon which governments act in taking land be reviewed and made compatible with concepts of today so that all Canadians who may be affected by federal expropriations will be confident that they will be dealt with in a more reasonable, prompt and just manner. The motion before this house is to further that aim.

In this century, as the need for public projects increased, expropriation of property by all levels of government accelerated and multiplied. Apparently, Hon. J. C. McRuer, formerly chief justice of the high court of Ontario, points out in his 1968 report to the Ontario government that under Ontario laws, lands may be expropriated under 36 acts, by 8,017 separate authorities. In Quebec they have done even better—308 acts give the power to expropriate to innumerable authorities. Today no citizen can expect immunity for his lands and home. This enormous power, often in the hands of delegated authority,

can be exercised without warning and led one irate citizen to say, "It is as though every public servant carries the Great Seal".

While all recognize the necessity to expropriate for public good, this is a trust for the public benefit and public benefit cannot be served unless the public is convinced that individuals' rights are respected. There must be a rational relationship between the individual and his government. With the informed public of today, anxious to participate in political issues and increasingly sensitive to its legal rights, nothing less will do.

For a comparison with our laws on the forcible taking of land, I shall refer to the recognition of basic principles in other jurisdictions. In France, no one can be compelled to give up his property except for public utility and in consideration of a just indemnity previously paid. In the United States, Denmark, Australia and India there are constitutional guarantees of just compensation.

Our federal statute, on the other hand, allows expropriation by the simple registration of a plan in the land registry office without notice and without payment. The Bill of Rights as interpreted by our courts is not applicable to prevent it. This gap in the law, this breach in what we all regard as our inviolable right, led the Hon. J. C. McRuer to restate a criticism made by the Hon. Joseph Thorson while president of the Exchequer Court in 1955:

> I have frequently called attention to these provisions of the law and stated that Canada has the most arbitrary system of expropriation of land in the whole of the civilized world. I am not aware of any other country in the civilized world that exercises its rights of eminent domain in the arbitrary manner that Canada does. And unfortunately, the example set by Canada has infected several of the Canadian provinces in which a similar system of expropriation has been adopted.

In default of leadership by parliament, the provinces allowed their expropriation laws to remain basically unchanged and out of date until about 1960. Since then, British Columbia, Alberta, Saskatchewan, Manitoba Ontario and Quebec have been studying the deficiencies of their laws and have taken steps to bring them up to date, having been influenced no doubt by the revisions in England, Australia, New Zealand and some parts of the United States.

It is urgent that we take a fresh look and restate the principles of expropriation in light of today's needs and in line with contemporary methods of business, as foreign jurisdictions have done. Surely we can be confident that if we express accurately and soundly a concept that is fair to the individual and fair to government, and so take a giant step forward, the provinces will follow our example. This could lead to uniform expropriation codes in Canada.

It is inherent in modern thinking that each person is entitled to freedom of speech, freedom of religion and quiet enjoyment of his property. It is therefore incomprehensible that governments should have the power to deprive a man of his home or livelihood without notice and with nothing more than the filing of a document. It is not surprising that when it occurs the owner regards this appropriation with fear and resents the indignity of such abrupt intrusion into his private rights. With such feelings of injury and thought of unfair advantage he instinctively hates and fights the government.

What can we do about this? The taking of private property against the will of the owner is so serious an infringement of his rights there should be, except in cases of emergency, notice of a pre-expropriation hearing which, along with his right to fair compensation, should be assured by constitutional authority.

The right to be heard before one's land is taken is fundamental justice and is supported by common sense. The facts disclosed at a preliminary hearing would produce decisions reflecting more consideration for the rights of individuals without sacrificing the public interest. It is fallacious to think that this would cause governments any disadvantage. At worst, officials might be embarrassed for having failed to consider a more suitable alternative.

In one case an expropriation authority took a very valuable experimental orchard in order to build a garbage incinerator. Protests from the owner went unheard. However, after a united outcry from the press, another incinerator site was found at much less cost. A hearing would have avoided this.

We have all told the Canadian people repeatedly that we wish to involve them in politics. What is more natural than a pre-expropriation hearing so that those affected may be heard and submit alternatives, or point out errors in choice of selection and, failing these, adjust the planning of their affairs or businesses. This has been the rule in England for years.

It is gratifying that the Minister of Transport (Mr. Hellyer), who recently announced plans relating to the possible enlargement of the Toronto international airport at Malton,

held a pre-expropriation hearing with representatives of the municipalities concerned and has agreed to hold further meetings with those more directly affected. This recognizes a basic principle, and I hope establishes a precedent, to be incorporated in the new act.

• (5:10 p.m.)

What should the second step be? After such a hearing, if the minister decides to proceed, prompt notice should be given. It should indicate to the owner that he is entitled to and should obtain the services of an appraiser and a solicitor, and that reasonable costs will be borne by the authority. It should also state that the authority's appraisal is complete and available to the owner, in order that his advisers may consider it and meet with the authority's experts as soon as they have completed their own appraisals so that settlement may be discussed. There is no room in an expropriation case, where an owner has been deprived of his property and drawn into this contest through no fault of his own, for any sporting theory of justice where each side holds back his information. There should be full disclosure, and it should start with the authority.

In one case an authority offered $900 for land taken and later increased the offer to $5,000, which was accepted. This created distrust. In another case where several blocks of houses were taken for a redevelopment scheme, the authority had each house appraised by the same appraiser for a small fixed fee per home, which resulted in a low, uniform valuation for all. When an offer based upon this appraisal was refused by one owner of several homes, the authority undertook considerable further expense in an attempt to support this cursory valuation and involved the owner in costly and burdensome litigation. In that case the tribunal awarded twice the amount offered. Those who could not afford the legal struggle and accepted the offer, which was 50 per cent of the court's value, were rightly resentful. It should not be a matter of how cheaply the authority can acquire land, but rather of finding a figure that is fair and just and one which would allow the owner to re-establish himself promptly without months or years of disruption and fear.

What about possession? The authority should, at the time notice of expropriation is given, state the date at which possession will be required, so that the owner may adjust his affairs accordingly. It might be said that this approach would create too big a work load for the department. But is it reasonable for them to have taken the land in the first place, unless they knew the cost, and are they just in making an offer that is not, to the best of their ability, honest and fair?

The term "businesslike" is made up of these attributes: efficiency, reliability, integrity, and a sense of values. Why should not governmental authority set the example?

As our act stands today, the federal authority is not required to pay any amount at the time of expropriating the land or when possession is taken. Even if the authority volunteers to pay part of the amount it says the property is worth, that advance, of course, must be applied against the mortgage, and the owner is without funds to re-establish himself. If the authority is required to pay the full amount of its evaluation at the time of expropriation, as is recommended by the McRuer report in Ontario and the provincial committee report in Quebec, the owner could re-establish himself immediately. This is especially important when the cost of relocation has increased by as much as 26 per cent in 18 months in some areas.

What should be the measure of compensation? The present law says an owner is entitled to "value to him", which is usually expressed as "value to the owner". This was developed as a test over 100 years ago to prevent an owner from claiming the amount his land was worth to the expropriating authority, which could be away out of line if it was the last parcel in an assemblage of land. This test is long out of date. Other countries provide that the owner is entitled to market value, plus extra items to compensate him for the disturbance, business loss, moving expenses, etc. With such guide lines appraisals would be more businesslike and predictable, and would thus lend to early settlement.

There is one type of case that requires special mention. Suppose the owner of a small house, who has lost it because of a redevelopment scheme, is offered $8,000. In one sense that is all the house may be worth, but each such scheme substantially diminishes the supply of houses in that price range, and the price immediately goes up; or, if he cannot find a house of the same age, he may have to pay two or three times as much for a new home which is no larger. It should be spelled out that account must be taken of the cost to reinstate in similar shelter; otherwise he will

be displaced and without a home, through no fault of his own.

The new act must include safeguards so that rumours or threats of expropriation or zoning for a less valuable use cannot be used to depreciate the value of the property to the benefit of the expropriating authority. Just recently I received a letter from a solicitor telling me what was happening in one of our largest cities. An authority has written owners advising that their lands will be required in 1975. As this information becomes public it means that the owners cannot sell to anyone but the authority and, of course, at its price. If the owners refuse to accept the authority's offer, their property will be evaluated as of the date of the taking in 1975. By then the value will have decreased because of the deterioration in individual houses and the area, caused by the notice of intention to expropriate.

Further, we need to make it plain that if the expropriation of rights over an owner's land, or land use zoning for a particular government purpose, has made it impossible to sell the property at what would have been a fair price in the absence of encroachments, the owner may call on the government to buy the whole parcel. My notice of motion says, "is affected or invaded in part", but obviously that should be, "is affected or invaded to any substantial degree." I think that is a reasonable interpretation. In one case in my riding the owner's land was invaded nine times in this manner by the federal government and he was helpless to prevent it. The laws of the United Kingdom protect the individual in both such cases.

The converse should be equally true; that is, if only part of the owner's land is required for the plan that is to be carried out, the expropriating authority should not take more than it needs, unless the owner consents. This is in accordance with the principle that a person's rights should not be taken from him, except as may be specifically required for the public work. If the authority should take more than it needs, the owner should be able to claim the return of the balance.

In the event that the parties are unable to come to a settlement, by whom should the compensation be determined? It is an important element of justice that claims should be heard with an absolute minimum of delay. At the moment federal expropriation cases are heard in the Exchequer Court, where the owner is disadvantaged by expense and delay. In other nations, to overcome delays special tribunals hear such claims, and this is a recommendation in the McRuer report and the special committee in Quebec. I propose that the new act provide that the owner should have the option of proceeding in the Exchequer Court or any lands tribunal court which may be set up in the province in question. Land tribunals should be encouraged, so that all expropriation cases come before the same tribunal. In this way compensation would not vary from case to case.

Interest rates paid on money owing to the former owner are equally out of date. The act was amended in 1900 to reduce interest to 5 per cent from the date the owner is forced to give up possession to the date he obtains judgment from the courts, and after that date to 4 per cent. This cheap rate of interest leads to this paradox: it may very well be advantageous to the authority to appeal the judgment in order to extend the period of borrowing from the owner at 4 per cent, while the owner is left to forage for other funds at interest rates at least twice as high. It seems only reasonable that the interest should be at the discretion of the tribunal or at the prevailing bank interest rate.

With regard to costs, I have always felt it to be iniquitous that the person expropriated is not given his full legal costs and all reasonable disbursements for expert witnesses when he has succeeded in establishing that he is entitled to more compensation than was offered. His legitimate expenses in establishing that fundamental right should not be borne in any part by himself. If the expropriating authority offered $20,000 and the individual established a true value, after a five day hearing, of $25,000 but receives only part of his costs, he could easily end up with no more than he was originally offered, although the property is worth $5,000 more. The present legislation, provincial and federal, puts the individual in an inferior position from the beginning, and the inclination is to accept the low figure rather than to spend all the energy, money and time in securing a proper figure which in the end nets him no more than he was originally offered.

• (5:20 p.m.)

In conclusion may I just say that if we can say that the prime task of expropriation law is to see that after notice the best site is selected with prompt payment of compensation which is just, not only to the owner but also to the acquiring authority, and with as little disruption as possible to the owner, then

we must concede that our present law falls far short of achieving this result.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is a pleasure to support the resolution of the hon. member for Peel South (Mr. Chappell). The hon. member and myself have shared in the frustrating experience of being unable to bring about justice in the case of a professional educational institution in Toronto which had its property expropriated and had no recourse except to go before the courts of the land in a costly and prolonged procedure that not only disrupted that institution for some six years but in the end failed to bring about justice and fair remuneration. For five consecutive years I have had a similar motion on the order paper, and again this year I have a similar resolution, No. 23, on the order paper. Therefore I share the concern of the hon. member for Peel South. I would only hope that the Minister of Justice will take very careful note of what is being said. I would also hope that he will permit this motion to go to the appropriate committee where it can be discussed.

I realize that the minister has expressed his intention of revising the expropriation laws, but I have heard this for seven years from successive ministers of justice. In fact, it has been expressed by his predecessors back to at least 1959, always with the one intent, that the expropriation laws should be revised but seemingly never able to come to the necessary conclusion to bring those revisions before the house.

The history of parliament is a record of the resistance of representatives of the people to the usurpation of the powers of the crown or of its agencies. I believe it would be foolish indeed to think that because we have a constitutional parliamentary government in Canada we as the representatives of the people are not faced with the duty and responsibility of keeping the powers of the crown under control. It might be reasonable that in times of war or imminent danger to our country the federal government should have such powers, but today such powers belong in the War Measures Act and not in any peacetime legislation. We already have far too many punitive federal laws on our statute books. I am thinking in particular of some of the provisions of the Income Tax Act and of the Excise Act which are an open threat to the liberty and the property of the citizen.

[Mr. Chappell.]

I say to the house that the laws of this land as they concern the expropriation of private property were designed for a time of emergency and certainly not for a time of peace such as we are living in now. As I interpret the Expropriation Act, parliament has given to officers of the civil service down to a very junior level the right to deprive a citizen of the land he owns merely by filing a plan in the registry office and leave the citizen with nothing but the right to go to court to receive just payment for his property. Again I say that powers like those contained in the act relating to the expropriation of the land belong only in the War Measures Act, certainly not in civil legislation. There is no requirement to follow the usual practice that is followed in most provinces, although not all of them, as the McRuer report brought out very clearly a few months ago. Where there is a transfer of title there is need for a public hearing to ascertain whether or not any particular parcel of land is needed for public purposes.

Here in Ottawa over the last number of years many a home owner has awakened to read in the newspaper that his home has been included in the expropriation plans of the day or the week before. This should not be so. I have in my files a number of letters concerning cases which bear evidence to the fact that here in the capital city of Ottawa, under the authority of the National Capital Commission using the expropriation laws of Canada, property owners have been deprived of their property without due recourse to the law or to ordinary procedures that are required of private institutions or citizens in purchasing land. Many of the citizens of this city feel that the power of expropriation is a flagrant abuse of governmental power. I say further that the time has come when the expropriation laws which concern the right of the government to take a man's property should be altered so that property cannot be taken away from him without due notice being given.

It also seems to me it should be required that a plan or a description of the property be filed before the crown becomes owner of the land. The rightful owner must not be denied his rights. An owner whose property has been expropriated by the crown all too often is left waiting for years before he actually receives the money due him. If time would permit I could give the house illustrations of such occurrences which have taken place right here in Ottawa.

If a customer buys a pound of sugar off the shelf in a store he has to pay cash before being allowed to carry it home. Therefore, why should the crown be considered any different, particularly if we value the rights of property ownership which to me are one of the prerequisites of a strong democracy?

In a nation which has placed the legislative field of property and civil rights within the jurisdiction of provincial legislatures, the powers granted by this act seem to border on the unconstitutional, and on this point alone the government has a responsibility to see that the expropriation laws are revised. Unfortunately the expropriation of land by the government is often a necessity. In the planned development of our cities and towns this becomes all the more necessary. But the rules which govern expropriation should require that the needs of the property owner be weighed against the needs of the state. Not only must there be an assurance of fair compensation and an adequate forewarning to property owners that their land is to be expropriated, but public hearings must also be held before a judge to determine whether the action is necessary and is in the public interest. Beyond this it is imperative that every citizen be guaranteed the right to his own day in court. Justice demands that no citizen be deprived of his property without such hearings. Expropriation powers which permit the filing of a plan to take away the ownership of a man's land when his certificate of title tells him he is still the owner certainly do not reflect justice.

• (5:30 p.m.)

I believe it would be very easy and proper to provide a better law so that before any land is taken for a public purpose by expropriation a public hearing should be held before a judge. In this way, everyone could be satisfied it was in the public interest that the land be taken. It is not good enough that we go on and on saying the law is not right and that we must revise it, but never do so. We simply have not enacted legislation to amend the expropriation law of Canada to make it as just as it should be and as just as every citizen in our country expects our laws to be.

I believe also that an exact method of expropriation should be spelled out by law, such as a certain number of days' notice and disclosure of the intent of the authority. In addition, a safeguard should be provided so that no land would be expropriated unnecessarily or by mistake. I can cite a number of cases of expropriation in the capital here where land was expropriated and then it was discovered later this land was not required. However, the land has never been returned to the rightful owners.

Mr. Woolliams: Like the parks.

Mr. Thompson (Red Deer): I suggest also that a clause be inserted elsewhere in the statutes of Canada guaranteeing Canadian citizens the right to own property, and that this clause should be specifically in the Expropriation Act. If we did this we would be protecting the rights of Canadian citizens as they deserve to be protected. I am sure all of us who have read the McRuer report as it relates to the expropriation laws of Ontario would agree with the remarks of that distinguish justice. He expressed in no uncertain terms his belief that the expropriation laws of Ontario should be revised.

I would say, Mr. Speaker, that the words of Abraham Lincoln as they relate to property ownership could well be heeded. I pass them on the the Minister of Justice. It was Abraham Lincoln who said that when individual rights and property rights are in question, the right of the individual must be given first place. This is what makes a democracy a democracy. I am convinced that the expropriation laws of this land must be revised. I sincerely hope our present Minister of Justice, who has made a public commitment to this end, will see that this revision is made during this session. Certainly, this law has been on the statute books far too long and does not reflect the true nature of what is expected from us as legislators.

I should like to close my remarks, Mr. Speaker, by quoting these words of the former President of the Exchequer Court, Mr. Justice Thorson. He had heard a case between Ethel Grayson and the Queen concerning the expropriation of property belonging to that lady, and he had this to day:

> I have frequently called attention to these provisions of the law and stated that Canada has the most arbitrary system of expropriation of land in the whole of the civilized world. I am not aware of any other country in the civilized world that exercises its right of eminent domain in the arbitrary manner that Canada does. And unfortunately, the example set by Canada has infected several of the Canadian provinces in which a similar system of expropriation has been adopted.

So, Mr. Speaker, I again urge the minister to take heed of the words that have been

spoken by the hon. member for Peel South, which I believe represent a consensus of all members in this house. I urge that he take the action we expect him to take now.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, first of all I think all members of the house would want to congratulate the hon. member for Peel South (Mr. Chappell) on introducing this resolution.

Mr. Knowles (Winnipeg North Centre): Why not compliment him by letting the resolution pass?

Mr. Turner (Ottawa-Carleton): If the hon. member for Winnipeg North Centre will hear me out he may be more satisfied with this speech than he imagines at the moment.

I congratulate also the hon. member for Red Deer (Mr. Thompson). I want to congratulate both hon. members on the amount of research, thought and industry that went into their two speeches on this important subject. I am sure that if former President Thorson were able to hear himself quoted with approval from both sides of the house, and if he had seen the hon. member for Calgary North (Mr. Woolliams) nod in approval, the former president of the exchequer court would have been mightily pleased indeed.

I want to say that we have been giving a good deal of thought to the Expropriation Act. It has been substantially in its present form since 1886 in the Revised Statutes of Canada. In fact, it was not even new in 1886 because it was adopted from some of the earlier statutes in force since confederation and in the union government before that. My own view is that the present act is confusing. I can understand the dissatisfaction of property owners in the country whose land has been expropriated under its provisions. I believe a general revision of the statute is required to provide a clear and consistent legislative scheme.

I would hope that I would be able to present in this house for first reading within the next six weeks or before Christmas a new, completely revised Expropriation Act. We hope to be able to ameliorate the arbitrariness inherent in the present statute, which was so well illustrated by the hon. member for Red Deer and the hon. member for Peel South. I have read a good deal of the criticism of the present statute contained in decisions from the bench, as expressed by members of the bar and the bar committee of the Canadian Bar Association of which the hon. member for Peel South has been a member and chairman, as well as by interested members of the public generally. As the hon. member for Red Deer has said, this measure has been before the house several times.

In my opinion the present act is insufficient in that a government department can arbitrarily take a parcel of land and the owner has no right to be heard. A person's land can be expropriated without any prior notice. A person whose land has been expropriated can be required to give up possession immediately, prior to the payment of any compensation. No definite negotiation procedure is prescribed. It is either court or nothing or a type of informal negotiation that does not really have any arm's length or fair dealing about it.

Finally, there are no rules prescribed under the present statute for the determination of the amount of compensation payable. Criteria for determining the amount are found in the judgments of the courts, and sometimes these are hard to correlate and difficult to reconcile. I believe that any statute which would remedy these difficulties would have to contain a number of provisions, and I should like to deal with them in general terms. The bill will have to await first reading in the house, but here are some of the ideas I feel should be incorporated in any bill to revise the present Expropriation Act.

I feel there would have to be notice given prior to expropriation. I believe the minister would have to give notice in writing of his intention to expropriate a particular interest in land and state the public purpose for which the expropriation is required. I feel that any person objecting to the proposed expropriation should have a period of time from the giving of the notice to file an objection in writing, stating his name, address and the nature and grounds of his objection, as well as the particular interest he has in the land to which the notice of expropriation relates. Then there should be a public hearing. The minister will be able to state his case and those who object will be able to make their case. The hearing officer should then present a report.

• (5:40 p.m.)

After the expiry of the period of time during which objections could be received, or after the hearing had been concluded, the minister, after receiving and considering the report of the hearing officer, could proceed

with the expropriation of the land in question. In that event, Mr. Speaker, if the expropriation were proceeded with the relevant date for the determination of the amount of compensation payable should be the date on which the notice of intention to expropriate was given.

The minister might decide to abandon the property expropriated, or if he did not proceed with the expropriation after a certain time had elapsed from the date of the notice of intention to expropriate he would be deemed to have abandoned. In that event I believe the owner of the land in question who had had the land isolated and neutralized by notice of expropriation should be entitled to compensation.

I believe that the implementation of this type of proposal should go a long way toward assuring owners of land and the people of Canada that their lands are not to be expropriated except for good reason. Moreover, this will enable the minister—indeed, it would compel the minister concerned—to be satisfied that he is aware of all of the relevant facts before deciding whether to expropriate a given property.

There are other matters mentioned in the resolution moved by the hon. member for Peel South. I have talked about the question of notice. The hon. member also calls for a substantial advance of money at the time of the taking of the property. I believe that compensation should be paid at the time the property is expropriated and be based on the estimate by the minister of the value of that property, subject to review by the negotiating board or by the courts. But surely, Mr. Speaker, the minister's estimate of the value of the property ought to be paid over at the time of expropriation.

Now, Mr. Speaker, when could the crown take possession? I believe that in any statute a certain period of notice prior to the taking of possession should be provided—shorter notice in special circumstances allowed by regulation is something we would have to contemplate—and at the time the property was expropriated the minister's estimate of the compensation should be paid. If the property was required on shorter notice, then further compensation should be paid for the additional inconvenience occasioned to the owner. That is also something we might well contemplate and goes even beyond the optimistic view expressed by the hon. member for Peel South. He asked for the spelling out of measures regarding compensation. I agree that the rules for compensation ought to be spelled out in the statute.

The hon. member also calls in his resolution for the change of interest rate to the bank rate of interest. Having heard the debate on some of the agricultural measures recently before the house I can only say at this stage that there will have to be some formula worked out for payment of interest; and so I cannot be any more precise with regard to that part of the hon. member's resolution.

The hon. member's final suggestion is that the statute should provide that if property is affected or invaded in part by an act on the part of expropriation authorities, then the owner may call upon the authorities to take all of his land or property. The hon. member has since amended that part of his resolution. In his speech today he said that that is only reasonable if a substantial part of the property is expropriated, in which case the owner should be free to call upon the crown to expropriate it all.

I do not want to use a pun here, Mr. Speaker, but I cannot buy all of that. We would have to watch such a situation. For example, we could have the ridiculous situation where the crown merely wanted to expropriate an easement or a servitude. Surely the owner of the property should not be able to force the crown to expropriate all of his property under such circumstances. However, this matter might well go to compensation, the owner being rewarded for expropriation of a lesser interest in his property. Perhaps the hon. member's point could be satisfied in terms of compensation rather than in terms of compelling the crown to expropriate the entire interest in his property.

I did mention in passing that the statute should provide for some type of negotiating procedure between the crown and the person whose land is expropriated. If the negotiating procedure did not succeed in adducing agreement, then freedom to litigate in the ordinary manner would be preserved.

The matters to be considered in arriving at the compensation payable will, of course, appear in the statute. I think there is a good argument to be made for saying that the current rules of the court should be broadened to provide fair treatment for persons whose land has been expropriated. It might be suggested, for instance, that allowance be made for legal

and appraisal fees, and this is something I should like to consider. I do not want this just to be an increment to the legal profession, but it may be that fees incurred by an owner of land in trying to negotiate or in resisting expropriation should in certain circumstances be allowable.

Those, Mr. Speaker, are some of the comments that I should like to make at this stage. However, I do want to refer again to the last proposal in the hon. member's resolution, where he talks about the owner calling on the authorities to take all his land or property. The department has also read former chief justice McRuer's report. I cannot presume what the thoughts of the former chief justice might be if he were listening to this debate, but a good many of his recommendations are reflected in the remarks that I have just made and which I hope the statute will introduce. The last recommendation made in the hon. member's resolution was not made either by the Clyne or the McRuer commissions. The most that Chief Justice McRuer said is to be found at page 1078 of the report and is as follows:

> —we recommend that expropriating authorities should not be empowered to expropriate more land than is necessary for the proposed work, except where this can be shown to be in the interests of the owner of the unnecessary land.

In the circumstances, Mr. Speaker, since I have given an undertaking to the house to introduce a new revised Expropriation Act envisaging the principles that I have outlined in a general way, which I hope would be available for first reading around the end of the year, perhaps sooner, perhaps later, I must say to the hon. member that we could not accept his resolution exactly in the form proposed.

The standing committee, would have the more precise task of considering the terms of any new statute. I would also hope that an opportunity would be given to the members of the house on second reading and in committee to review the ideas that I have set forth, as they would appear in statutory form, in some further detail. In general the principles that are outlined in the resolution and supported by the hon. member for Red Deer meet with my agreement, and I should like to congratulate these members of the house who have taken the time to research and to present this matter to the members of the House of Commons.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before the Minister of Justice sits down I wonder whether he would permit a question. In view of his statement, which seemed to suggest that the government is prepared to do what the hon. member for Peel South requests, namely, to consider the advisability of amending the Expropriation Act, may we assume that the government is willing to let this resolution pass? Would he also be willing to allow a private member, the hon. member for Peel South, to have the prestige of having a resolution like this supported by the house?

• (5:50 p.m.)

Mr. Turner (Ottawa-Carleton): I think the hon. member for Peel South already enjoys a good deal of prestige in his profession and will obtain credit for introducing a measure which, I can assure him, meets with the general approval of the government. He will have that prestige in full measure. However, since there are certain elements with which, as I have said, we are not in accord and since a more fruitful use might be made of the time of the house and of the committee than trying to put the present motion in precise form, I suggest that the better alternative is to await first reading of the bill which, I assure the hon. member, will not be long delayed.

Mr. Knowles (Winnipeg North Centre): Is the minister not aware that passing this resolution does not effect legislation? It is merely an expression of opinion.

Mr. Turner (Ottawa-Carleton): But it commits the house in certain areas to certain words, and I am not prepared to be committed to all the words.

Mr. Thompson (Red Deer): Since the minister is not willing to lend the government's prestige to the hon. member for Peel South—

Mr. Turner (Ottawa-Carleton): He does not need any.

Mr. Thompson (Red Deer): —and since I am not in his position of not needing prestige, perhaps the minister would be willing to lend the government's prestige to private members' notice of motion No. 23 which stands in my name. The contentious wording the minister referred to in the present motion does not appear in my motion. Could the minister therefore do as I ask?

Mr. Turner (Ottawa-Carleton): Since the hon. member for Red Deer had prestige

enough to allow him to move from one political persuasion to another without trouble, because the people of his area so respected him, I do not think anything I say here today will add one whit to his prestige.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I congratulate the hon. member for Peel South (Mr. Chappell), the hon. member for Red Deer (Mr. Thompson) and the Minister of Justice (Mr. Turner) for what they have said. When the new legislation is considered I hope that the question of jurisdiction will be looked at so that the average man can afford to litigate in his own province. That is my first point. I realize that this afternoon my hon. friend seemed to be in love with the exchequer court. I hope his love extends to the ordinary, average people of Canada who cannot now afford to litigate in the exchequer court.

In the few moments remaining may I raise the matter of appeal. One case I was involved in was to go to appeal. The action was to be appealed from the exchequer court to the Supreme Court of Canada and the evidence would have cost around $16,000. These people had been litigating for ten years and could not afford that outlay. Some way must be found to cheapen appeals and to bring them within the reach of anyone. To show what can happen may I refer to the case of Fraser and the Queen, reported in 1963 Canada Supreme Court Reports, page 463. Cameron J. of the exchequer court made an assessment of $40,640 with respect to certain lands. The matter went to the Supreme Court of Canada. The exchequer court refused to consider the principle of future potential—

Mr. Turner (Ottawa-Carleton): The hon. member was not working for peanuts in that case.

Mr. Woolliams: I did not get peanuts, not even salt for the peanuts. The point is that the appeal was allowed and the crown's cross-appeal was dismissed with costs. The last paragraph of the judgment says in part:

> In the result, I would allow this appeal, dismiss the main cross-appeal, and vary the judgment of the learned trial judge by fixing the amount to which the appellant is entitled for the expropriation of his property and for all damages resulting therefrom at the sum of $360,640 together with interest at the rate of 5 per cent per annum—

There is quite a difference between $360,640 and $40,640. I hope the point is clear. I hope the question of jurisdiction is examined so that people may litigate at the place of taking, no matter whether it is in Alberta, Ontario, Quebec or elsewhere in Canada.

At present our appeal procedure is such that the average man cannot afford to appeal. If he is not satisfied with the exchequer court's decision he cannot afford to go to the Supreme Court of Canada. Since the state is all-powerful and since it has most of the brains because it can afford to pay the money, I ask that it make available for examination for discovery the reports of its appraisers and pay for independent appraisals to be carried out. Also, the state ought to make certain that litigants are properly represented by counsel. When that happens I shall be satisfied with the new law.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Mr. Speaker, in the remaining few minutes I want—

Mr. Knowles (Winnipeg North Centre): To congratulate the hon. member and talk the resolution out.

Mr. Honey: —to congratulate the hon. member for Peel South (Mr. Chappell) who, I know, has spent much time on this matter. He is a learned member of the bar of Ontario and was chairman of the appropriate committee of the Canadian Bar Association that looked into this matter. He has worked closely with those of us who, in common with the Minister of Justice (Mr. Turner), the hon. member for Red Deer (Mr. Thompson), the hon. member for Calgary North (Mr. Woolliams and others in this house, are anxious to see the introduction of new legislation dealing with expropriation. We are heartened by the minister's remarks and hopeful that the legislation may be introduced before the end of the year. We also hope that the new legislation will filter down to provincial jurisdictions and that across Canada in our respective federal and provincial jurisdictions we shall see an enlightened approach to expropriation.

Mr. Thompson (Red Deer): Question.

Mr. Honey: I echo the sentiment of the hon. member for Red Deer, who is anxious for the question to be put. I think we must recognize the undertaking of the minister that a statute in precise form following the general principles of this resolution will be introduced within the new few weeks. The inference I drew from the minister's remarks was that the bill

would be referred to the standing committee on justice and legal affairs. When that happens we shall be able to sit down and discuss the question of jurisdiction at some length. There is no partisanship in this matter. We are all concerned about improvements in the expropriation law and the procedure to be followed.

Mr. Deputy Speaker: Order, please. I must advise the hon. member that the hour for the consideration of private members' business has expired.

ESTIMATES

REFERENCE OF CERTAIN DEPARTMENTS TO STANDING COMMITTEES

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I wonder whether I might have the consent of the house to revert to motions so that I could refer estimates to the standing committees.

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Mr. Speaker, the estimates relating to the Privy Council, Governor General and the Lieutenant Governors have already been dealt with by the committee of supply. It has already been agreed by hon. gentlemen opposite that the other estimates to be reserved for the committee of supply are those relating to the Auditor General, finance, industry, justice, labour, legislation, the National Capital Commission, national health and welfare, public works, supply and service, transport, and the Treasury Board. Those departments, as I say, were reserved for committee of supply. My motion, therefore, refers all the other estimates to designated standing committees, but would reserve the powers of the committee of supply. Accordingly I move:

That, saving always the powers of the committee of supply in relation to the voting of public moneys, the items listed in the revised main estimates for 1968-69, relating to the enumerated departments be withdrawn from the committee of supply and referred to the standing committes of this house as follows.

An enumeration follows. I think there is general consent to dealing with this matter in this way.

Mr. Knowles (Winnipeg North Centre): There is general consent on the understanding that the contents of the long list the minister is holding in his hand will appear in *Hansard.*

[Mr. Honey.]

Mr. Macdonald (Rosedale): I certainly hope that it will.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The list above referred to is as follows:*]

Agriculture
Atomic Energy Control Board
Atomic Energy of Canada Limited
Canada Council
Canadian Arsenals Limited
Canadian Broadcasting Corporation
Canadian Commercial Corporation
Canadian Dairy Commission
Canadian Film Development Corporation
Canadian Livestock Feed Board
Canadian Overseas Telecommunication Corporation
Canadian Radio-Television Commission
Canadian Transport Commission
Cape Breton Development Corporation
Centennial Commission
Central Mortgage and Housing Corporation
Chief Electoral Officer
Communications
Company of Young Canadians
Consumer and Corporate Affairs
Correctional Services
Customs and Excise
Defence Construction (1951) Limited
Dominion Bureau of Statistics
Dominion Coal Board
Economic Council of Canada
Energy, Mines and Resources
External Affairs
External Aid Office
Farm Credit Corporation
Fisheries and Forestry
Immigration Appeal Board
Indian Affairs and Northern Development
Insurance
International Joint Commission
Manpower and Immigration
Medical Research Council
National Arts Centre Corporation
National Defence
National Energy Board
National Film Board
National Harbours Board
National Library
National Museums of Canada
National Research Council
Northern Canada Power Commission
Northern Transportation Company Limited
Post Office
Public Archives
Public Service Commission
Public Service Staff Relations Board
Regional Development
Representation Commissioner
Royal Canadian Mounted Police
St. Lawrence Seaway Authority
Secretary of State
Solicitor General
Tax Appeal Board
Taxation
Trade and Commerce
Unemployment Insurance Commission
Veterans Affairs

Refer Estimates to Standing Committees

Agriculture, the Standing Committee on Agriculture
Atomic Energy Control Board, the Standing Committee on National Resources and Public Works
Atomic Energy of Canada Limited, the Standing Committee on National Resources and Public Works
Canada Council, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
Canadian Arsenals Limited, the Standing Committe on Finance, Trade and Economic Affairs
Canadian Broadcasting Corporation, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
Canadian Commercial Corporation, the Standing Committee on Finance, Trade and Economic Affairs
Canadian Dairy Commission, the Standing Committee on Agriculture
Canadian Film Development Corporation, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
Canadian Livestock Feed Board, the Standing Committee on Agriculture
Canadian Overseas Telecommunication Corporation, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
Canadian Radio-Television Commission, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
Canadian Transport Commission, the Standing Committee on Transport and Communications
Cape Breton Development Corporation, the Standing Committee on Regional Development
Centennial Commission, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
Central Mortgage and Housing Corporation, the Standing Committee on Health, Welfare and Social Affairs
Chief Electoral Officer, the Standing Committee on Privileges and Elections
Communications, the Standing Committee on Transport and Communications
Company of Young Canadians, the Standing Committee on Miscellaneous Estimates
Consumer and Corporate Affairs, the Standing Committee on Health, Welfare and Social Affairs
Correctional Services, the Standing Committee on Justice and Legal Affairs
Customs and Excise, the Standing Committee on Finance, Trade, and Economic Affairs
Defence Construction (1951) Limited, the Standing Committee on Finance, Trade, and Economic Affairs
Dominion Bureau of Statistics, the Standing Committee on Finance, Trade, and Economic Affairs
Dominion Coal Board, the Standing Committee on National Resources and Public Works
Economic Council of Canada, the Standing Committee on Finance, Trade, and Economic Affairs
Energy, Mines and Resources, the Standing Committee on National Resources and Public Works
External Affairs, the Standing Committee on External Affairs and National Defence
External Aid Office, the Standing Committee on External Affairs and National Defence
Farm Credit Corporation, the Standing Committee on Agriculture
Fisheries and Forestry, the Standing Committee on Fisheries and Forestry
Immigration Appeal Board, the Standing Committee on Labour, Manpower and Immigration
Indian Affairs and Northern Development, the Standing Committee on Indian Affairs and Northern Development
Insurance, the Standing Committee on Finance, Trade, and Economic Affairs
International Joint Commission, the Standing Committee on National Resources and Public Works
Manpower and Immigration, the Standing Committee on Labour, Manpower and Immigration
Medical Research Council, the Standing Committee on Health, Welfare, and Social Affairs
National Arts Centre Corporation, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
National Defence, the Standing Committee on External Affairs and National Defence
National Energy Board, the Standing Committee on National Resources and Public Works
National Film Board, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
National Harbours Board, the Standing Committee on Transport and Communications
National Library, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
National Museums of Canada, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
National Research Council, the Standing Committee on National Resources and Public Works
Northern Canada Power Commission, the Standing Committee on Indian Affairs and Northern Development
Northern Transportation Company Limited, the Standing Committee on Indian Affairs and Northern Development
Post Office, the Standing Committee on Transport and Communications
Public Archives, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
Public Service Commission, the Standing Committee on Miscellaneous Estimates
Public Service Staff Relations Board, the Standing Committee on Miscellaneous Estimates
Regional Development, the Standing Committee on Regional Development
Representation Commissioner, the Standing Committee on Privileges and Elections
Royal Canadian Mounted Police, the Standing Committee on Justice and Legal Affairs
St. Lawrence Seaway Authority, the Standing Committee on Transport and Communications
Secretary of State, the Standing Committee on Broadcasting, Films, and Assistance to the Arts
Solicitor General, the Standing Committee on Justice and Legal Affairs
Tax Appeal Board, the Standing Committee on Finance, Trade, and Economic Affairs
Taxation, the Standing Committee on Finance, Trade, and Economic Affairs
Trade and Commerce, the Standing Committee on Finance, Trade, and Economic Affairs
Unemployment Insurance Commission, the Standing Committee on Labour, Manpower and Immigation
Veterans Affairs, the Standing Committee on Veterans Affairs

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

Motion agreed to.

Business of the House

BUSINESS OF THE HOUSE

Mr. Aiken: Mr. Speaker, I wonder whether we could have an indication of tomorrow's business.

Mr. Macdonald (Rosedale): The business for tomorrow will be as indicated last Thursday, the resolution preceding the bill to enact the official languages act. If by close of business tomorrow the resolution stage has been dealt with, we shall proceed to the drug bill which was called as the second item for today's business. On Friday we would return to committee of supply, and the estimates to be considered in committee of supply will be those of the Department of National Health and Welfare.

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

BUDGET PAPERS

presented by
the Honourable Edgar J. Benson, M.P.,
Minister of Finance
for the information of Parliament
in connection with the Budget of 1968-1969

FOREWORD

The purpose of these Papers is twofold:

1. to present a general economic review of 1967 and the first half of 1968, bringing together in one place and in convenient form some of the more comprehensive indicators of economic conditions prepared by the Dominion Bureau of Statistics, the Bank of Canada and other government agencies, together with some comments;

2. to present a preliminary review of the Government Accounts for the fiscal year ending March 31, 1968.

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Economic White Paper for 1968

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The tables and charts in this Budget Paper are based upon data provided by the Dominion Bureau of Statistics, the Bank of Canada and other government agencies. A few of the figures appear for the first time; others have been published elsewhere. All 1968 figures are preliminary and subject to revision.

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Part I

ECONOMIC WHITE PAPER FOR 1968

THE CANADIAN ECONOMY: REVIEW AND OUTLOOK

In the course of the past two years, Canada has passed through a period of economic adjustment while still in the midst of the longest and strongest expansion in its history. During 1967 many of the adjustments taking place resembled that of a mild cyclical recession, but other expansionary forces more than offset these movements, and production, income and employment continued to rise. Some serious industrial disputes have occurred in 1968, but despite these it seems clear that a moderate acceleration of growth was established in the early months of this year.

Cyclical Developments

Business profits reached a peak early in 1966 and declined to a trough in the first quarter of 1967, recovering thereafter. Excess capacity emerged in some manufacturing industries. Strains developed in the markets for capital, beginning in 1966 and persisting, in varying degree, throughout 1967 and early 1968. In response to these developments, business expenditures on plant and equipment first levelled off and then turned down; the trough was reached in late 1967 and an improved first-quarter 1968 level appeared. This renewed expansion was maintained in the second quarter. The business inventory pattern has also followed a characteristic cyclical form. Accumulation rose to peak rates in mid-1966, after which it fell back. In early 1967 only nominal accumulation occurred, but a third-quarter pickup was followed by a very substantial swing to actual decline in the fourth. Inventories may now have completed their cyclical correction, and seem likely to resume a normal growth pattern in coming months.

In the personal sector, 1967 was a year of continued increase in both hourly earnings and the unemployment rate. This pattern has persisted in the first half of 1968. During 1967, wage settlements under collective bargaining produced a quarterly record of increases which, on the whole, exceeded gains made in the corresponding quarters of 1966. However, some signs of moderation appeared towards year-end and have persisted in the first and second quarters of 1968, although current gains are still excessive in relation to productivity. Throughout this period, consumers have continued to increase their spending at rates little changed from those of 1966. Price increases, however, particularly in consumer services, accelerated in 1967, except in the case of food prices. Some easing in the rate of advance took place in 1968, but it is not sufficiently strong to suggest that recent pressures have been completely checked.

Expansionary Forces

The mild recessionary pattern of 1967 described above was almost totally obscured by the continuation of a number of strong expansionary forces, including the special events of Centennial year, particularly Expo. These special events contributed substantially to the maintenance of relatively high levels of employment and output, mainly in the service industries, during the second and

third quarters. Tourist expenditures in Canada by non-residents, included in the statistics relating to exports of services, expanded very sharply during the Expo period, while tourist expenditures by Canadians in Canada were also above normal levels.

Other sources of strength in 1967 which overshadowed the cyclical weaknesses were a strong merchandise export performance, the continued very large increases in expenditures by governments, and the recovery of residential construction from its 1966 levels. These demand factors were accompanied by further increases in employment, which arose partly from uninterrupted advances in the number of women at work, and partly from higher immigration. The growth in the labour force slowed significantly after mid-1967, reflecting the reduced rate of growth in non-farm employment which began to show at the end of the first quarter.

Developments in the first two quarters of 1968 have been dominated by the continued strength of these factors. Consumer expenditures and labour income both recorded substantial gains in this period, while exports of goods and services advanced at an exceptional rate. Government sector expenditures have continued to increase. In conjunction with the mild cyclical changes discussed above, these factors have thus led to fairly strong quarterly increases in the various national accounts income and expenditure totals. However, the employment increases accompanying this growth in output have fallen short of the rapid growth in the labour force. Accordingly, the seasonally-adjusted unemployment rate has risen, and in mid-1968 it was running at about five per cent of the labour force.

The Canadian economy at the present time therefore has the physical capability of continuing on a sustained period of growth. Having regard to the continued large increases in money incomes still occurring, current cost and price developments are of crucial importance. The price pressures generated by the 1965–66 boom, although lessening somewhat, have persisted throughout the period of adjustment. Accordingly, the extent to which sustained growth may occur must be viewed against the problem of price and cost stability.

Income and Expenditure

Gross national product rose by 6.8 per cent during 1967 to an annual level of $62.1 billion, and, with prices increasing by 3.9 per cent, real GNP rose by 2.8 per cent. In the first half of 1968, the value of GNP rose by 6.8 per cent compared to the same period a year earlier; price advances of 3.3 per cent reduced the gain in real terms to 3.5 per cent.

The income side of the 1967 accounts reflected a large fall in the accrued net income of farm operators from the record 1966 level, which made a difference of approximately one per cent on the overall GNP gain. The statistical assumption of return to a normal crop in 1968 was responsible for a sharp rise in farm income between the fourth and first quarters. The final effect of weather on the 1968 prairie grain crop is not yet reflected in the national accounts. The more moderate pace of advance in the non-farm economy in 1967 compared to 1966 was accompanied by a smaller increase in aggregate labour income, although the advance was still large, while corporation profits in 1967 fell fractionally after a virtually flat year in 1966. (Details on income developments are shown in reference tables 2 to 5, beginning on page 76).

On the expenditure side, personal expenditure on goods and services by Canadians (excluding expenditures in Canada by foreign visitors) advanced by over eight per cent in 1967. (Expenditure details are summarized in reference

tables 6 to 15). Though fractionally less than that of 1966, this advance provided steady support for the economy through the year. (Statistical adjustments made to separate expenditures made by foreign visitors from those made by Canadians may have led to some understatement of consumer outlays on services in the second and third quarters, and hence to an overstatement of the advance in the fourth quarter). Total outlays, however, made stronger gains in these quarters than in either the first or fourth. First half 1968 gains in current dollar personal outlays were strong.

Government expenditures have continued to rise. However, the 1967 advance for all governments combined, at just under ten per cent, was much more moderate than the 17 per cent rise of 1966. The slowing down was greater at the federal level than at the provincial-municipal. In the first half of 1968, a further rise of 7.9 per cent occurred, compared to the same period a year earlier.

Exports were a major source of strength in 1967 as a whole. Tourist expenditures are included with exports of services, and made a very notable contribution to the general level of economic activity during the summer months. Exports of goods were higher in the year by over one billion dollars, or around ten per cent; about three-quarters of the increase reflected higher shipments of automotive products, largely balanced by imports of such products. Further strong gains in exports have occurred during the first eight months of 1968.

Business expenditure on plant and equipment declined by three per cent in 1967. This development, after three successive years in which unusually large annual increases of 20, 20 and 21 per cent respectively occurred, acted significantly to moderate the excessive pressures in some areas, notably construction, which had built up since mid-1965. At the same time, a very marked drop occurred in accumulation of non-farm business inventories; the final quarter of 1967 saw a remarkable swing of nearly one billion dollars, from accumulation of $684 million to an inventory rundown of $312 million, expressed at annual rates. Changes in the business sector in the first half of 1968 include a 10.5 per cent gain, at annual rates, in expenditure on plant and equipment over the second half 1967 level, substantially reversing the decline which had taken place in 1967. Non-farm business inventories were virtually unchanged in the half year.

Output, Employment and Productivity

The gain in real domestic product[1] excluding agriculture in 1967 amounted to 3.6 per cent. Because of the sharp drop in the prairie wheat crop, which returned to more normal levels after the record crop of 1966, total real product rose by only 2.7 per cent. The number of persons at work in the non-agricultural economy rose by 3.2 per cent in the year, and for the first time since 1954 there was an increase in farm employment. The labour force as a whole, employed and unemployed, rose by 3.7 per cent, all of this increase representing jobs in the total service sector. Because employment increased less rapidly than the labour force, the unemployment rate for the year rose.

Changes in employment in the different sectors, in conjunction with changes in output, provide the indications of changes in output per man (productivity) shown in reference tables 25 and 26. In the year as a whole, and in the private non-farm economy as a whole, productivity rose by 1.3 per cent from the preceding year.

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(1) Real domestic product measures the volume of output of goods and services produced in Canada. Apart from small differences in statistical measurement, it differs from GNP in constant dollars in that it excludes interest and dividend receipts from abroad, includes interest and dividend payments to non-residents and excludes indirect taxes less subsidies.

This figure, which is below the long-term trend, partly reflected a shift in the pattern of output, of which a larger share was contributed by the service industries where the level of productivity per person employed is low, or for which the conventional statistical measurements are inadequate. On the other hand, there was a rise in productivity in manufacturing during the course of the year as employers reduced their labour force while output was rising.

The combination of income and production figures provides an indication of cost changes. Wage costs per unit of output continued to increase in 1967, both for manufacturing and for the entire economy. Profits per unit of output continued to decline in 1967, although less sharply than in 1966. This trend persisted in spite of the widespread price advance of 1967.

In the first two quarters of 1968, despite strikes in the automotive and other industries, real domestic product rose at an annual rate of 3.9 per cent from the last half of 1967. Productivity across the total commercial non-agricultural economy was unchanged in the first quarter, but improved in manufacturing and construction. The pattern in the second quarter was much the same.

Wage settlements under collective bargaining continue to record very large increases in base rates and other benefits. Increases in average hourly earnings for the country as a whole have been somewhat smaller but are affected by these settlements.

Prices

Prices continued to advance at unacceptable rates in 1967 and the first half of 1968. The average of the Consumer Price Index in 1967 rose by 3.5 per cent over the average 1966 level, which compares with the 3.7 per cent rise the year before. However, in 1967 the food component changed little, while advances were widespread and strong in other non-durable and durable goods, and, particularly, in consumer services. It may also be noted that changes in sales taxes and property taxes contributed an estimated 0.8 per cent to the overall 1967 rise—nearly one-quarter of the total increase in consumer prices. The GNE deflator, which represents price changes in the economy as a whole, rose by 3.9 per cent over 1966 (4.5 per cent the previous year).

In the course of first eight months of 1968 the consumer price index has continued to moderate its rate of advance compared to each month a year earlier. Whereas in January the increase over a year earlier was 4.5 per cent, in August the increase was 3.4 per cent. As the months have passed the changing pattern of gains among components shows that housing costs have become the leading contributor. Shelter costs account for about 18 per cent of the consumer budget that is measured by the C.P.I. Consumer services excluding shelter, which showed the largest advance in the previous twelve months, are now advancing somewhat less rapidly. Food prices in August were 1.6 per cent higher than a year earlier.

Review of 1967 Expectations

The government in early 1967 anticipated some slowdown in the rate of growth for the year, which led it to relax some of the restraints which had earlier been imposed, particularly those affecting investment expenditures by the business sector, and to introduce measures to encourage residential construction. These adjustments appear in retrospect to have been appropriate. The continued

increase in government expenditures, and the continuation of unduly high price and wage increases, led to proposals in the Budget of November 30, 1967, for certain tax increases to take effect late in 1967 and early in 1968.

With regard to the balance of payments, 1967 exports of goods and services to the United States were higher than had been foreseen. As expected, imports rose considerably less than in the preceding year.

As a result of these developments, the current external deficit (on a national accounts basis) registered a sharp decline to some $670 million from the 1966 total of $1,230 million.

The combined expenditures of all governments on goods and services rose rather more than had been expected, partly owing to continued strong pay and price advances in this sector. Residential starts, earlier foreseen as being in the region of 160,000 for the year, actually amounted to 164,000. About 63,000 of these were financed by NHA mortgages, 65,000 by conventional mortgages, and the balance by other means, such as "non-institutional" and personal lending. Outlays on business plant and equipment, according to the early-1967 outlook, would decline by "under one per cent", but in fact a decline of just over three per cent occurred. This decline in value resulted partly from the accelerated removal of federal sales tax on production machinery and equipment, which caused an actual price decline in the middle two quarters, and from the continued moderation in the rate of increase of non-residential building prices. As expected, the mild cyclical pause did not on this occasion cause further downward revisions in business investment intentions at the time of the mid-year review; moreover, the rather unexpected degree of credit stringency which developed during the year also failed to bring about any significant reduction of the 1967 programme. As it turned out, early 1967 expectations that total private and public capital expenditures would level off in the year were borne out by events.

The increase in labour income was about as expected, although costs and prices rose slightly more, and non-farm employment rose slightly less, than expected.

It was observed that corporation profits are related to trends in costs, prices and productivity, and for the year of adjustment in 1967, corporation profits declined slightly. However, for some quarters now profits have been increasing.

Outlook from mid-1968 to mid-1969

A rapid increase in GNP in the first two quarters of 1968 is expected to give way to more moderate rates of increase in the third and fourth quarters of the current year. While it is too early as yet to forecast the full year 1969, there are indications that moderate rates of growth will persist in the first half of 1969.

Canada's economic growth over the next twelve months will depend in part on economic conditions in the United States and certain overseas countries. The U.S. economy passed through a period of very rapid expansion in the first half of 1968 and is now expected to experience less expansion in the second half of the current year and in the first half of 1969. This expectation is based in part on the effects of the tax increases in June of this year which, together with federal government expenditure cutbacks, will combine to exert a considerable degree of restraint in coming months. In the light of these changes, unofficial projections show forthcoming rates of increase in total real output at about two per cent per annum in the United States in the year ending mid-1969.

In other industrial countries also, a slower rate of growth is expected for late 1968 and early 1969. In the United Kingdom, continued efforts to check domestic demand and imports, and to curb continued price and wage increases, are expected to be accompanied by a modest increase in real output. Japan is expected to slow down from the very high rates of growth of over ten per cent per annum in real output that have been achieved in the recent past. France is confronted with large wage and price pressures as a result of events in May; there exists some margin of unused resources in that country, but potential price and cost problems make it difficult to judge the extent of increases in real output. Recent favourable output and export trends in Germany are expected to continue in the coming year but at slightly reduced rates.

For the combined economies of all countries belonging to the Organisation for Economic Co-operation and Development (OECD), which includes Canada and the U.S.A. as well as European countries and Japan, an expansion of only three per cent in real output is expected in the second half of 1968, compared with over five per cent in the first half. This reduced rate of growth is common to nearly all member countries of OECD, and is expected to continue in the first half of 1969.

There are a number of important differences between the Canadian and U.S. situations which combine to suggest that the expected slowdown in expansion will be less marked in Canada than in the United States. One significant difference between the two countries is that price and cost pressures have already begun to ease in Canada, whereas they have been accelerating in the United States. Another difference is that Canadian inventory accumulation has been negligible or negative for some time past, while there has been a large accumulation in the United States. A moderate degree of inventory accumulation should now contribute to overall demand strength in Canada. Further, the mid-year investment intentions survey in Canada indicates a small improvement over earlier surveys. In contrast to declines in business investment in 1967, small increases in value are now beginning to take place. Business investment is expected to be up about three per cent in the current year, and the total of public and private investment is expected to increase six per cent. Unlike the situation in the United States, where official surveys indicate a deceleration of business investment during 1968, the Canadian investment outlook appears to be one of continued if modest improvement. Offsetting to some extent these favourable developments, Canada's exports to the United States cannot be expected to maintain the rapid rate of increase attained in the first eight months of the current year.

The housing outlook is also favourable, with the high level of housing outlays in 1968 likely to be exceeded in the coming year. The tension in the capital market has eased somewhat in recent months, and since business investment requirements are only moderate, there should exist both the physical and financial capacity to create more new housing accommodation in the coming year. Outlays on goods and services by governments at all levels, although moderating in the past year, are again expected to increase faster than total output of the economy.

The largest expenditure category, accounting for well over half of GNP, is that of personal expenditure on goods and services. These outlays have been sustained by the continued rapid increases in personal disposable income referred to earlier. Although consumer price increases until comparatively recently were in excess of four per cent per annum, the latest figures on the Consumer Price Index have indicated some easing in the rate of advance. Thus, the substantial

increases in real disposable income and in the real volume of consumption of recent years are expected to continue in the coming year and to constitute a sustaining force in total effective demand.

On the supply side, the labour force has been augmented recently by a very large number of young people leaving school and by continued increase in the proportion of women working. As noted, rapid increases in both labour force and total employment took place in the summer of 1968, but unemployment also grew, mainly as a result of the very large influx of students seeking jobs during the summer months. Some of these students returned to school in September, while others have found jobs and will remain in the labour force. The enlarged technical and vocational training facilities for these students, as well as re-training and mobility programmes for older workers, will contribute to the efficiency of the labour force growth in the coming year. The period of most rapid acceleration in labour force growth may have been reached in 1967, but Canada in 1969 will still have one of the highest labour force growth rates among the industrial countries of the world.

Another factor of importance relating to Canada's supply capability is the physical stock of plant and equipment. While the available measures of plant and equipment capacity are inadequate, there are at least some indications that capacity utilization rates are now not far below normal for the economy as a whole. The reduced rate of investment expenditure in 1967 and 1968, while modest increases in output were continuing, suggests that excess capacity is not extensive. The recent increase in investment intentions, as reported in the mid-year survey, tends to confirm this view. It may be concluded that future increases in real demand and output will increasingly call forth new additions to capacity in the form of investments in plant and equipment. Since the long-term relationship between the stock of physical capital and real output has not changed significantly, it can be expected that increases in real output will require approximately similar rates of increase in the stock of capital; this situation is approximated when new investment and output advance at similar rates. Recent small improvements in corporation profits, which tend as a statistical series to lead that of new expenditures on plant and equipment, are consistent with the view that a moderate expansion of new investment, in line with sales and output, might be expected in the coming year.

The overall demand and supply picture suggests a rate of increase in GNP over the next nine to twelve months not much different from that of 1968 as a whole, compared to that of 1967. However, more of the increase should be in quantity, and less in prices, than in 1967 and 1968. The significant easing of interest rates apparent since the exchange crisis of last spring, which is described in detail later in this paper, should assist in this advance.

THE WORLD ENVIRONMENT

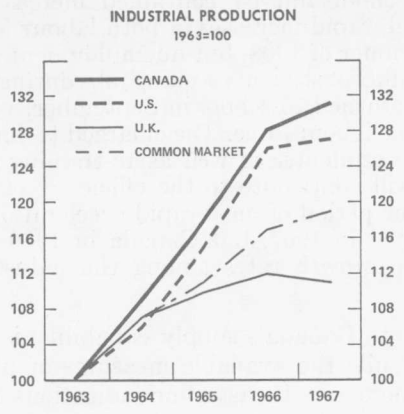
The International Economy

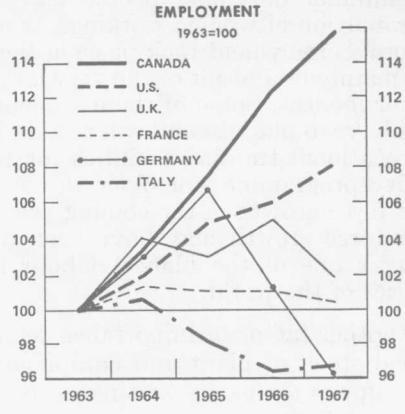
Economic developments in Canada are profoundly affected by the world environment. Because exports represent a very substantial part of total demand in Canada, events in other countries can quickly affect employment, incomes and economic activity in Canada. This country, too, is particularly sensitive to strains and tensions in the international financial system; capital flows in or out

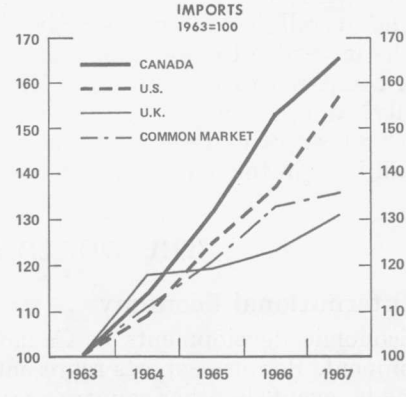
CHART 1

SELECTED INTERNATIONAL INDICATORS

1963 – 1967







of Canada, whether of domestic or foreign origin, can be of such magnitude relative to Canada's economy as to pose difficult problems of economic management.

The economy of the western world in 1967 recorded a definite slow-down in growth as compared with 1966.

In the North American hemisphere this weakening occurred in the course of the longest period of expansion since the war. Signs of strain had been in evidence since the second half of 1965 and were aggravated by expansion of inventories in 1966. Mounting pressures on prices and costs then began to erode profits, resulting in some decline in the volume of private investment from the beginning of the fourth quarter of 1966.

The U.S. economy in 1967 went through two clearly defined phases. In the first half of the year there were two dominant factors: a temporary check to growth and growing concern about inflation. The inflationary and financial pressures had as their basis the unusually high budgetary deficit, the slow-down in tax revenue receipts, and the resultant heavy government borrowings in the capital market. In the second half of 1967, continued increases in military expenditures and the failure of Congress to act upon the President's proposal for tax increases aggravated the inflationary atmosphere. From July onwards renewed expansion of the economy was clearly evident as a result of the renewed accumulation of inventories; furthermore, consumer demand was firm, especially for durable goods, and housing construction moved up sharply.

Quarterly movements in the U.S. gross national product reflected these trends. In the first three months of 1967 GNP advanced only slightly; in the second quarter of the year the progress was somewhat more marked, but beginning in the third quarter GNP resumed relatively rapid growth, accelerating again in the first two quarters of 1968. The fiscal restraints upon income which came into force from July 1968 are expected to slow down economic activity in the two last quarters of 1968, contributing both to the stabilization of costs and prices and to better external balance.

The balance of payments, despite a certain improvement in capital flows from the U.S. point of view, remains in deficit because of the deterioration in the merchandise trade balance. Exports appear to be rising rather more rapidly in 1968 than in 1967, but merchandise imports are expected to grow even more rapidly.

In the United Kingdom, 1967 was a year of growing crisis. The war in the Middle East, the world-wide rise in interest rates, and the dockers' strike all reinforced the country's economic difficulties, while the need to restore stability in the payments position became increasingly more pressing. The November 1967 devaluation of the pound and the strengthening of the measures of reform were intended both to bring about a better balance in the British economy and to restore the balance of payments.

The course of economic events in the United Kingdom in 1967 had made such steps unavoidable. The growth rate of gross domestic product for the year as a whole was only a little over one per cent, while the overall production index had remained almost stationary since 1966. Unemployment had risen from a level of one per cent of the labour force in the second quarter of 1966 to reach 2.4 per cent in the third quarter of 1967. Moreover, in 1967 exports declined while imports increased.

Developments in the U.K. economy resulting from the combination of devaluation and anti-inflationary measures were expected to lead to a rapid improvement in the balance of payments and to increase Britain's share of international trade. An increase of 4.5 per cent in industrial production was forecast for 1968, with total economic growth expected to be about three per cent. Observers expect that the increase in activity will be in non-consumption sectors.

In the European Economic Community, the levelling-off in economic growth which began in mid-1966 continued throughout the first six months of 1967. Despite signs of recovery in the majority of member countries from the beginning of the third quarter, the growth figure of about 2.5 per cent for 1967 is still the lowest since 1958. A sustained growth in the Italian and Dutch economies was not sufficient to make up for the recession in Germany.

The easing in the EEC countries brought some easing in the European labour market and on the whole a slackening in the escalation of costs and prices. Since mid-1967, the cyclical trough, signs of a recovery have been increasingly in evidence, especially in the economy of the Federal German Republic. This acceleration of economic activity, through its effect on trade within the community, will be a dynamic element in the growth of other member countries. In France, judgments about the extent of price, cost and output changes this year have been obscured by the events of the spring.

Having regard to all these circumstances, it is generally accepted that the level of economic activity in the Community as a whole will be higher in 1968 than in 1967.

In Japan, the economic growth rate over the past ten years has averaged ten per cent. In 1967 it was more than 13 per cent. The rapid growth of 1967 had the effect of increasing demand for imported products, and added to existing pressure on the capital markets. In order to moderate this steep rate of growth and improve the balance of payments, the Bank of Japan increased the Bank rate in 1967 and again in 1968 and has limited loans by the chief banks. In addition, the government found itself obliged to postpone a great many public investment projects. In 1968 the growth of the economy is therefore expected to be much reduced from the 1967 rate.

The year 1967 thus saw financial constraints affecting economic activity in many countries. Indeed, there was persistent and prolonged pressure on international capital markets. Within countries there was a bidding-up of the price of money between the public and private sectors on the one hand, and between individual borrowers on the other. The resulting increase in interest rates became world-wide through international transactions. Due to inflationary expectations this condition persisted in spite of slack in most countries. Cyclical credit contraction is customarily short and sharp, and is followed by a decline in interest rates, but the adjustment, due to the intense competition for funds and problems of confidence, was slow to develop in 1968. However, some easing of interest rates has occurred in recent months.

Problems of the International Financial System

The international monetary arrangements developed since the second world war have, on the whole, worked well, making it possible for world trade to grow at an unprecedented rate. It has been apparent for some time, however, that fundamental changes in the existing arrangements would be necessary during the

foreseeable future if world trade was to continue to expand rapidly. The knowledge of the imminent need for such a change and the uncertainty as to the form that it might take have therefore had an unsettling effect on the international financial community during recent years.

The essence of the problem concerns the future growth of international reserves with which to finance a growing volume of world trade. During the post-war period these reserves, i.e. the total of countries' holdings of gold, foreign exchange, and certain types of claims on the International Monetary Fund, grew much less rapidly than the volume of world trade which they helped to finance. This was made possible by the increased efficiency of the system due to improved co-operation between monetary authorities, and by the redistribution of reserve assets from the United States to other countries, particularly in Europe.

The dominant element in the growth of international reserves during the period has been the accumulation of reserve currencies, particularly U.S. dollars, by the monetary authorities of other countries. Claims on the International Monetary Fund, though growing more rapidly in relative terms, were much less significant in absolute terms because of their narrow base. Finally, although gold has continued to be by far the largest component of total reserves, yearly additions to official reserves from newly mined production were increasingly less significant in the overall picture and in the past couple of years gold has actually flowed out of official reserves into private hands.

The accumulation of U.S. dollars by other countries had been a welcome development during most of the fifties, when foreign monetary authorities were still intent on restoring their depleted foreign exchange reserves. As this process neared completion, however, the continuation by the United States on a substantial scale of a deficit on international transactions became a cause for concern, heightened by the already existing chronic balance of payments problems of the United Kingdom, the other major reserve currency country.

Thus it became essential to confidence in the international monetary system for the United States and Britain to bring their payments into balance. But success would have meant that the reserve currencies would thereby cease to be a significant source of liquidity growth, and it was most improbable that this would be completely offset by further increases in gold holdings and claims on the IMF. Consequently, to help ensure a healthy continued growth of world trade, a major international effort was begun to develop a plan for the creation of a new reserve asset that would be subject to rational control in an established international forum. Studies and negotiations directed towards this end were carried out during the four years preceding 1967. During this period recurrent disturbances occurred which underlined the seriousness of the situation and the need to develop a contingency plan.

The growing unwillingness of some countries to increase further their holdings of reserve currencies meant that financial flows, the counterpart of real economic activities such as international trade and investment in productive plant and equipment, became the target of selective restrictive measures by both surplus and deficit countries. While these measures have included statutory or "guideline" directives aimed at specific activities, they also have taken the form of the traditional means of affecting the volume and direction of capital flows, that is, changes in interest rates and in the availability of capital funds for use in international financial transactions. Competitive reliance on the interest rate as a means of controlling international capital flows, and the entry

of speculators into the picture at times of particular stress, thus became increasingly a feature of the international economy during the middle sixties. Speculation contributed heavily to world currency pressures in both 1967 and 1968.

During the spring and summer of 1967 the British pound remained under intermittent pressure which became persistent after the Middle East crisis. Despite major support operations mounted by the IMF, the Bank for International Settlements and individual central banks, pressure on the pound became overwhelming during November, and a 14.3 per cent devaluation took place on November 18. At the same time the Bank of England Bank Rate was increased from 6½ to 8 per cent and the government announced a series of deflationary measures. It is a credit to international co-operation that no major trading nation followed the British devaluation and its unsettling effect was thus minimized.

The devaluation of the pound deflected bearish sentiments against the U.S. dollar and a run into gold began which was to cost the United States $2.4 billion of gold in the five months beginning in November 1967 and ending in March 1968. Pressure on the capital markets in the United States during most of 1967 remained intense and towards the end of the year long term rates reached their highest level in over 40 years. A worsening U.S. balance of payments deficit, the failure of Congress to act on the Administration's proposal for temporary tax surcharges on personal and corporate incomes, and the devaluation of the pound with its consequences for the U.S. dollar all tended to worsen the U.S. financial markets. Consequently, long-term rates reached still higher levels in March 1968 and short-term rates continued their steep climb which had begun in mid-1967.

These interest rate developments, with increases in one country feeding on increases in another, had certain economic repercussions in Canada in 1967 and 1968. While domestic factors affecting the cost and availability of capital to some Canadian borrowers were of primary importance, the international situation exacerbated the problem.

At the annual meeting of the IMF which took place at Rio de Janiero in September 1967, the Governors gave their approval to the outline of a proposal to establish a new facility in the IMF for the creation of a new reserve asset. The new asset, referred to as Special Drawing Rights (SDR), will supplement, rather than replace, existing reserve assets and will be used in transactions between monetary authorities alone and in conjunction with "traditional" reserve assets. This facility will permit the orderly expansion of monetary reserves, and machinery has been set in motion in many member countries to secure the necessary legislative authority for participation in the new arrangements.

These long-term developments, however, had little immediate impact on world financial difficulties in late 1967, and the new pressures building up against the U.S. dollar following the devaluation of sterling led the President, on January 1, 1968, to introduce a stringent new balance of payments program intended to bring about a major improvement in the U.S. balance of payments. Its main provisions were directed at reducing direct investment outflows, increasing the repatriation of funds by U.S. subsidiaries abroad and discouraging U.S. tourists from travelling outside the western hemisphere.

In the absence of any headway in Congress on the President's long-delayed tax proposal to reduce the budgetary deficit, the President's announcement failed to have any lasting effect towards restoring confidence in the U.S. dollar and hence in the system as a whole. Instead, speculation again developed shortly after the New Year, directed against the Canadian dollar and certain other currencies and a little later spilling over into a renewal of massive speculative and hedging activities in the gold market. Gold losses from international reserves became so large by March 17, 1968, exceeding $3 billion since the devaluation of sterling in November, that the Gold Pool ceased to support the private gold market and established a "two-tier" price system. Under this arrangement the former Gold Pool members agreed that henceforth officially-held gold should be used only to effect transfers among monetary authorities, and therefore they decided no longer to supply gold to the London gold market or any other gold market. Moreover, since the existing stock of monetary gold was sufficient in view of the prospective establishment of the IMF Special Drawing Rights facility, they no longer felt it necessary to buy gold from the market. Finally, they agreed that henceforth they would not sell gold to monetary authorities to replace gold sold in private markets. The subsequent settling of the "free" gold price at only a moderate premium over the official price was instrumental in reducing speculative activity very markedly.

At the end of March the remaining aspects of the SDR proposal still outstanding were settled at a meeting in Stockholm of Ministers of Finance and Central Bank Governors of the Group of Ten. Whereas the establishment of the two-tier gold system had been intended to solve an immediate problem, the Stockholm meeting had a reassuring effect by illustrating the progress being made towards a long-term solution to the problem of ensuring the adequacy of international liquidity.

The progress thus made on both of these fronts substantially reduced the earlier crisis atmosphere in the international monetary system. Further progress in this direction was made in June 1968 with the long awaited passage of the U.S. tax bill. Passage of the tax surcharge legislation was taken by foreign observers as a real indication of the U.S. determination to restore confidence in the U.S. dollar, and as such was influential in further restoring order in the system.

The response of the Canadian financial system to these events is discussed in detail in a later section. The process of the 1967 readjustment and continued growth of the economy which took place within this framework of events is now reviewed, in some detail, in the following pages.

READJUSTMENT 1967 and 1968

Income Developments

In 1967 as a whole the growth in aggregate wages, salaries and supplementary labour income moderated from the exceptionally rapid rate of 1966, and in the first half of 1968 the more moderate trend continued. (Statistical details are set out in reference tables 2 and 3). This slower rate of growth principally reflected a less rapid increase in employment, as average earnings of employed workers have continued to advance sharply. Average weekly hours worked in many industries were marginally less throughout 1967 than in 1966, and have shown no widespread tendency to increase in 1968.

The levelling-off in construction activity, after the sharp increases of 1965 and 1966, brought about a decline in employment and a much smaller advance in average income per employee in this sector (see reference table 4). In manufacturing, employment was virtually unchanged while average incomes slightly accelerated their advance. Among the service industries trends were mixed. On the whole, the increase in average earnings in 1967 exceeded that of the previous year mainly by reason of the substantial advances agreed upon in new labour contracts, which have had a growing impact upon employee remuneration across entire industrial sectors, although the greater degree of slack in the labour market, reviewed below, slowed the advances in certain service industries.

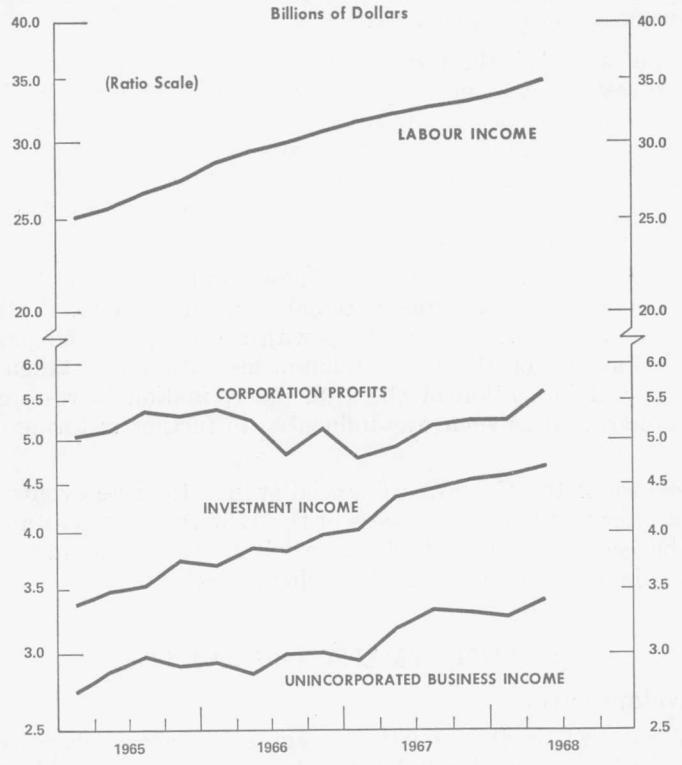
CHART 2

SELECTED COMPONENTS OF INCOME

1965 – 1968

BY QUARTERS

(Seasonally Adjusted at Annual Rates)



Corporation profits before taxes, which declined fractionally in 1966, recorded a further decline in 1967. A substantial recovery occurred during the first half of 1968, although labour contract disputes in some industries make it

difficult to assess the actual underlying strength of the profit position. In manufacturing, the profit pattern overall was one of slow improvement from the low point reached in the first quarter of 1967, with declines in some industries being offset by advances in others (see reference table 5). The mining group recorded good gains in almost all quarters, but trends were mixed in the service, trade and other non-manufacturing groups. Over the year, and continuing into 1968, the transportation, storage and communication group showed persistent hesitancy; but wholesale and retail trade together, after a slower year in 1967, recorded stronger profits during the early part of the present year.

TABLE 1

LABOUR INCOME AND PROFITS

1965 to 1968

(Seasonally adjusted at annual rates)

—	1965	1966	1967	1967	1968	
				4Q	1Q	2Q
	(Millions of dollars)					
Wages, salaries and supplementary labour income	26,179	29,661	32,389	33,132	33,776	34,740
Corporation profits before taxes and before dividends paid to non-residents	5,199	5,145	5,020	5,236	5,232	5,596
	(Per cent change from previous period)					
Wages, salaries and supplementary labour income	11.7	13.3	9.2	1.1[1]	1.9[1]	2.9[1]
Corporation profits before taxes and before dividends paid to non-residents	7.9	−1.0	−2.4	1.7[1]	−0.1[1]	7.0[1]

[1]Quarterly change.

SOURCE: DBS *The National Accounts.*

Corporate profits before taxes in the first half of 1968 represented 11.1 per cent of net national income. In 1967 as a whole they amounted to 10.8 per cent; in recent years, the share of corporate profits in the total reached a peak of 13.6 per cent in 1964, and since then it has been declining.

Net income of non-farm unincorporated business, after advancing slightly in 1966, picked up strength as 1967 wore on and achieved a year-over-year gain of over eight per cent. This group, which includes a large number of small enterprises engaged in construction activity, again showed growing strength towards the mid-year mark in 1968. Interest, dividends and other property income has advanced rapidly in 1967 and 1968, partly due to the relatively high interest rates and rising rentals prevalent during this period.

Expenditure Trends

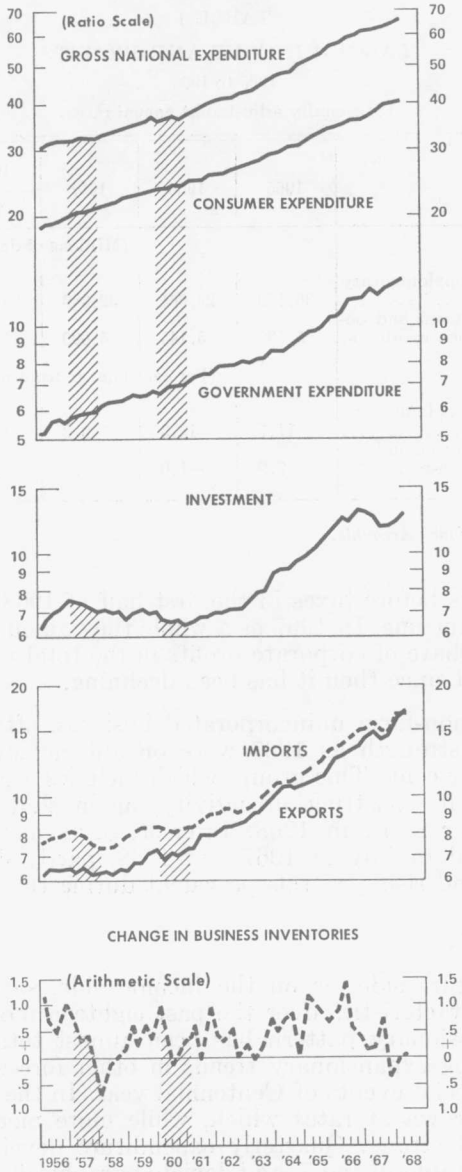
On the expenditure side, as on the income side, some components have revealed cyclical characteristics over the past eighteen months. Similarly, however, this mild recessionary pattern has been almost totally obscured by the continuation of strong expansionary trends in other forces of demand, and by the impact of the special events of Centennial year. In the aggregate, therefore, expenditures have grown at rates which, while more moderate than those of 1966, have remained strong. Quarterly expenditure developments are set out in detail in reference tables 6 and 7, and depicted graphically in Chart 3.

CHART 3

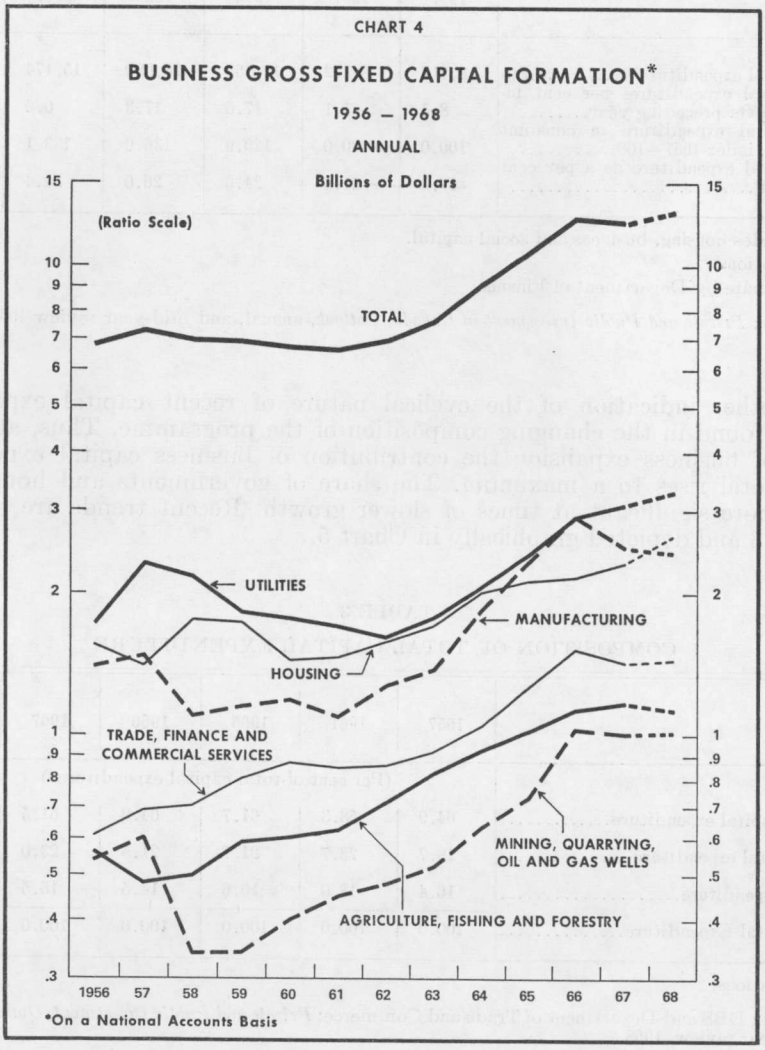
GROSS NATIONAL EXPENDITURE AND SELECTED COMPONENTS IN CURRENT DOLLARS

1956 – 1968

(Seasonally Adjusted at Annual Rates)
By Quarters
Billions of Dollars



Among the expenditures revealing mild cyclical features, business fixed capital outlays including housing have been the most important. On a national accounts basis, a decline of about one per cent in value and four per cent in volume occurred in this sector in 1967 as a whole; the quarterly pattern for total investment expenditure showed small but almost uninterrupted declines from mid-1966 to end-1967; strengthening in this sector now is apparent although some of this represents higher costs. (These developments are shown in Chart 4). The movement of business expenditure on plant and equipment reveals even more sharply a cyclical-type pattern. This component reached a peak in the fourth quarter of 1966, and fell to its trough in the fourth quarter of 1967, since when it has again moved up. It may be observed that as the actual decline in this component was of such modest proportions the recovery would not have to be very sharp to resume an appropriate long-term trend.



29180—81½

Housing expenditures, too, showed a cyclical pattern. Conditions in the financial markets brought about a very marked decrease in the funds available for mortgage investment in 1966, and residential construction outlays fell through that year from a first-quarter peak. This trend was sharply reversed in 1967, and quarterly gains were substantial until some hesitation again became apparent in late 1967 and early 1968. Growth in this expenditure component has been re-established following a high level of new starts early in the present year. The recent pattern of housing starts is shown in Chart 19, on page 60.

TABLE 2

CAPITAL EXPENDITURE

	1957	1961	1965	1966	1967	1968[2]
Total capital expenditure[1].....$m	8,717	8,172	12,865	15,090	15,174	16,038
Total capital expenditure—per cent increase over preceding year.....	8.5	−1.1	17.6	17.3	0.6	5.7
Total capital expenditure in constant dollars, index 1957=100.....	100.0	90.0	120.9	136.0	133.1	..
Total capital expenditure as a per cent of GNP.....	27.3	21.8	24.6	26.0	24.4	24.0[3]

[1]Includes housing, business and social capital.

[2]Intentions.

[3]Estimate by Department of Finance.

SOURCE: *Private and Public Investment in Canada, Outlook*, annual, and mid-year review 1968.

Another indication of the cyclical nature of recent capital expenditure may be found in the changing composition of the programme. Thus, at a peak period of business expansion the contribution of business capital expenditure to the total rises to a maximum. The share of governments and housing becomes more significant at times of slower growth. Recent trends are set forth in table 3 and depicted graphically in Chart 5.

TABLE 3

COMPOSITION OF TOTAL CAPITAL EXPENDITURE

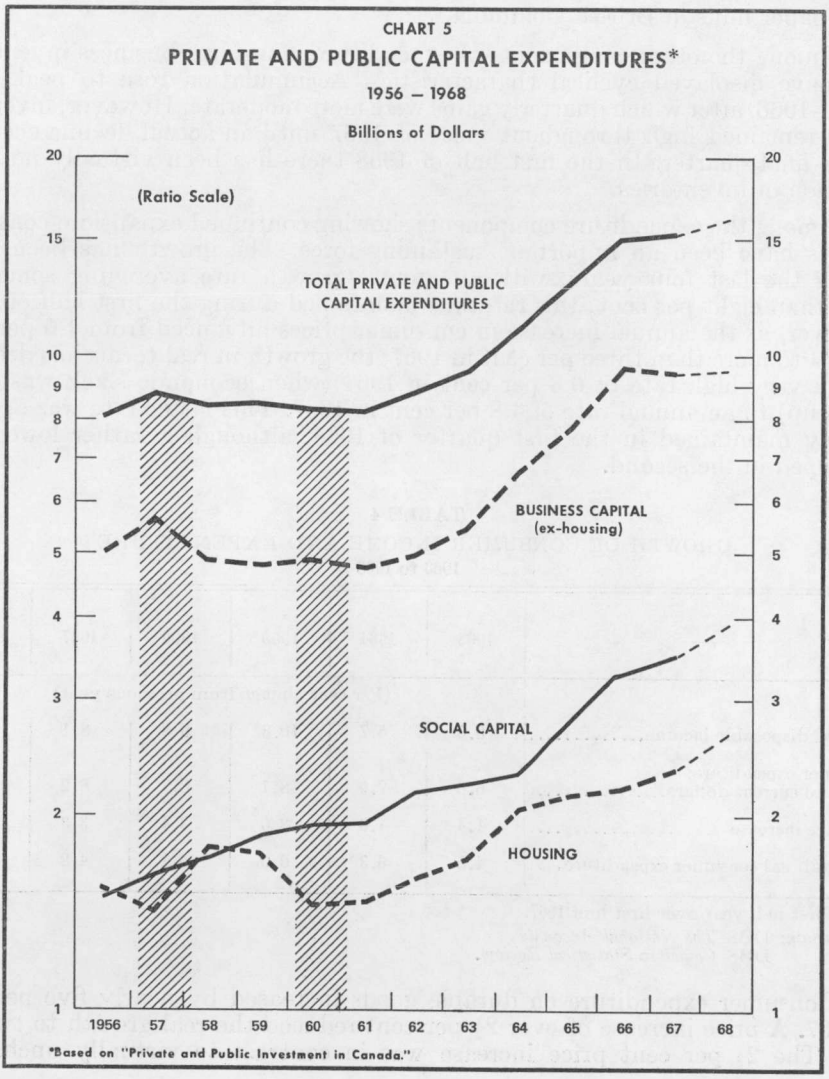
	1957	1961	1965	1966	1967	1968[1]
	(Per cent of total capital expenditures)					
Business capital expenditure.....	64.9	58.3	61.7	64.0	61.5	59.1
Social capital expenditure.....	18.7	23.7	21.7	21.5	23.0	24.3
Housing expenditure.....	16.4	18.0	16.6	14.5	15.5	16.6
Total Capital Expenditure.....	100.0	100.0	100.0	100.0	100.0	100.0

[1]Intentions.

SOURCE: DBS and Department of Trade and Commerce: *Private and Public Investment, Outlook*, annual and mid-year review, 1968.

The full nature of this readjustment in capital expenditures may be brought out by placing the changes which have occurred into a longer-term context, and by consideration both of the capital stock position and the impact of financial strains upon the liquidity of Canadian corporations. The timing of some investment activity, too, was governed by non-economic factors.

The slight decline of business capital expenditures in 1967 and the modest reversal in 1968 has represented a relatively smooth adjustment following several years of extremely rapid growth up to 1966. Indeed, the rate of growth of capital expenditures from 1961 to 1966 was about 40 per cent greater than that of GNP. This high rate of growth was not sustainable in the long run; by the end of 1966, the capital stock of the economy was adequate for current levels of output and, in general, there was no excess capacity.



From this viewpoint, the recent slower pace of business investment, which has been in fact nothing more severe than a levelling-off, sharply contrasts with the situation following the 1955–57 investment boom. On that occasion the boom had continued over-long, excess capacity had been built up, and total capital expenditures fell sharply and remained at low levels relative to GNP for many years thereafter, as indicated in table 2 and reference table 12.

The impact of financial constraints on business capital expenditures has taken the form of hesitation in making new plans rather than in failure to complete projects begun earlier. Some major developments in which large-scale financing plays a part have been stretched out, including some major hydro-electric projects. These financial developments have also been reflected in the postponement of some institutional construction. Finally, it should be borne in mind that 1966 saw the virtual completion of a number of major projects whose timing had reflected particular circumstances; among these were some large paper mills in British Columbia.

Among the other components of expenditure, non-farm business inventories also have displayed cyclical characteristics. Accumulation rose to peak rates in mid-1966, after which quarterly gains were more moderate. However, inventory levels remained high throughout most of 1967 until an actual decline occurred in the final quarter. In the first half of 1968 there has been virtually no accumulation of inventories.

Among the expenditure components showing continued expansion, consumer outlays have been an important sustaining force. The growth has been rapid during the last four years, with an annual growth rate averaging somewhat more than eight per cent; this rate was maintained during the first half of 1968. However, as the annual increase in consumer prices advanced from 1.6 per cent in 1964 to more than three per cent in 1967, the growth in real terms has declined from a very high rate of 6.3 per cent in 1964 (when economic slack was being taken up) to an annual rate of 4.8 per cent in 1967. This latter rate was approximately maintained in the first quarter of 1968, although a rather lower rate developed in the second.

TABLE 4

GROWTH OF CONSUMER INCOME AND EXPENDITURE

1963 to 1968

—	1963	1964	1965	1966	1967	1968[1]
	(Per cent change from previous year)					
Personal disposable income	6.3	5.7	10.8	9.8	8.1	6.7
Consumer expenditure:						
Total current dollars	6.0	7.9	8.1	8.7	8.2	8.5
Price increase	1.4	1.6	2.0	3.4	3.3	4.2
Total real consumer expenditure	4.5	6.3	6.0	5.1	4.8	4.2

[1] First half year over first half 1967.

SOURCE: DBS *The National Accounts*
DBS *Canadian Statistical Review.*

Consumer expenditure on durable goods increased by nearly five per cent in 1967. A price increase of over 2½ per cent reduced the real growth to two per cent. The 2½ per cent price increase was in contrast to virtually unchanged

prices for consumer durables over the previous several years. The quarterly pattern of these expenditures has been erratic, as is typical of this volatile element of personal spending, and has continued to be irregular in 1968.

In real terms, 1967 personal expenditure on non-durable goods increased by over seven per cent while the volume of expenditures on services grew at less than three per cent. Part of this sharp divergence in real growth rates was related to the statistical treatment of very large 1967 expenditures by foreign tourists, to which reference has already been made. This adjustment, which was large in Centennial year, is conventionally attributed to personal expenditure on services, when in fact some of the expenditures were for purchases of non-durable goods.

Expenditures on goods and services by governments have also been a major element within the total demand pattern. The federal, provincial and municipal governments together increased their outlays by just under ten per cent in 1967 from the 1966 level. While this advance represented a sharply reduced rate of growth from the gains of the two previous years (in 1966 the advance was around 17½ per cent), the share of the government sector in gross national expenditure has continued to increase. Thus, in 1967 and the first half of 1968 government purchases of goods and services represented some 20 per cent of total national expenditures; the ratios were 19.4 and 18.4 per cent in 1966 and 1965 respectively.

Purchases of goods and services by provincial and municipal governments form about two-thirds of all government expenditure on goods and services. These rose by 10.2 per cent in 1967. During the first half of 1968 they reached an annual rate of $8,740 million, some 9.5 per cent above the corresponding period in 1967. Federal outlays on non-defence goods and services rose 11.0 per cent in 1967 and 7.6 per cent in the first half of 1968. A smaller rise in defence outlays reduced the growth in total federal purchases to 8.6 per cent in 1967 and 4.9 per cent in the first half of 1968. These developments are summarized in table 5.

TABLE 5

EXPENDITURE ON GOODS AND SERVICES BY LEVEL OF GOVERNMENT

—	1963	1964	1965	1966	1967	1968[1]
	(Millions of dollars)					
Federal: defence	1,572	1,584	1,559	1,709	1,805	1,762
non-defence	1,362	1,462	1,734	2,211	2,454	2,734
Percentage of GNE	*6.7*	*6.4*	*6.3*	*6.7*	*6.9*	*7.1*
Provincial	1,725	1,929	2,188	2,663	3,015	3,240[2]
Percentage of GNE	*4.0*	*4.1*	*4.2*	*4.6*	*4.9*	*5.1*
Municipal	3,416	3,679	4,133	4,703	5,103	5,500[2]
Percentage of GNE	*7.9*	*7.8*	*7.9*	*8.1*	*8.2*	*8.7*
Total	8,075	8,654	9,614	11,286	12,377	13,236
Percentage of GNE	*18.6*	*18.3*	*18.4*	*19.4*	*19.9*	*20.8*

[1] First half year, seasonally adjusted at annual rates.
[2] Department of Finance estimates.
SOURCE: DBS *The National Accounts.*

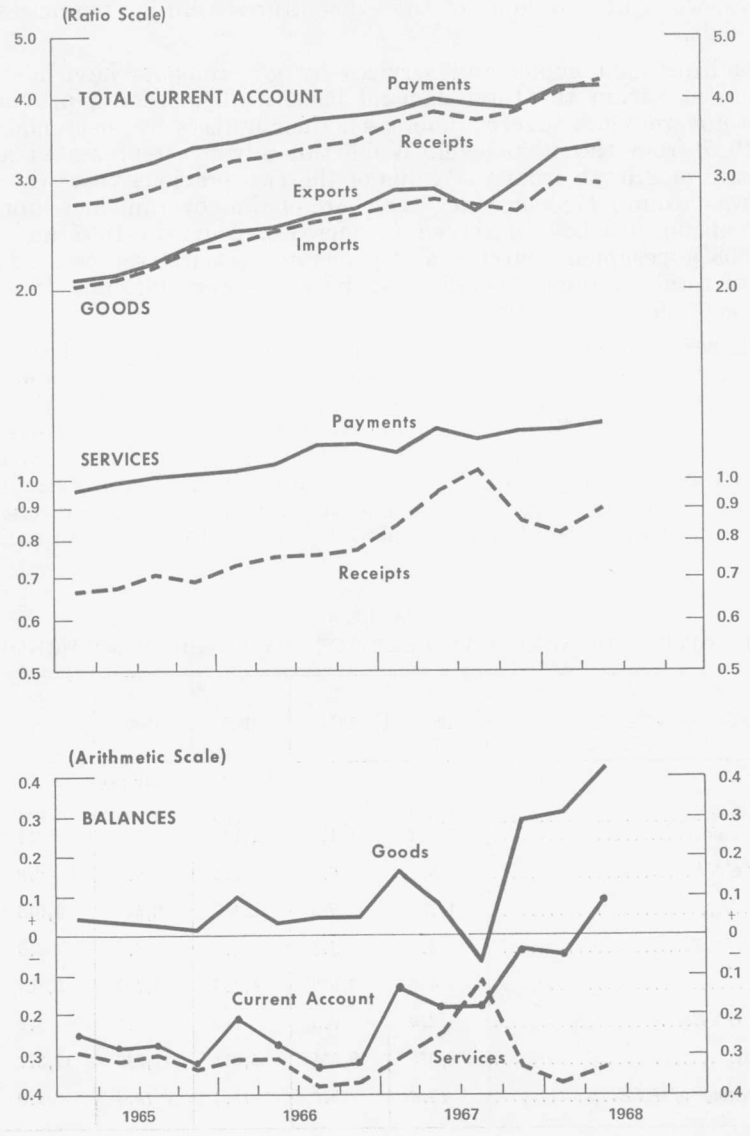
CHART 6

BALANCE OF PAYMENTS — CURRENT ACCOUNT

1965 — 1968

SEASONALLY ADJUSTED — BY QUARTERS

(Billions of Dollars)



The expansion of demand for the type of services provided by government is of course related to the rapid growth in the economy and the increasing complexity caused by urbanization, rising demand for technological skills and continuing rapid gains in population and labour force. These changes also have had an impact on government capital investment, which similarly has increased rapidly as outlays on such things as transportation facilities and schools have become greater. In 1965 and 1966, fixed capital formation by all governments increased by close to 20 per cent annually; in 1967 and during the first half of 1968 this receded to an increase of around eight per cent, but this still represents a growth rate of almost twice the average recorded prior to 1965.

Foreign Trade and the Current Account of the Balance of Payments

On a national accounts basis, exports of goods and services, which comprise more than one-fifth of GNP, provided a considerable stimulus to the rapid economic expansion of the 1960s. With the exception of 1962 and 1965, they have increased more rapidly than GNP. This remained true in 1967, even though their growth in that year, at 12.3 per cent, was less than the 16.5 per cent gain of the preceding year. Strong quarter-to-quarter gains of 10.0 per cent and 3.7 per cent respectively were recorded in the first two quarters of 1968. In 1967 there was a 17 per cent increase in service receipts and a smaller growth of about 10 per cent in goods exports. The large increase in 1967 service receipts reflected greatly increased tourist receipts related to Expo '67 and Centennial year activities.

It is generally true that the current account deficit in the Canadian balance of payments tends to increase during an expansionary period, and to decline with a moderation in domestic demand. There are, however, sufficient non-cyclical factors present at all times either to obscure this relationship (as between 1962 and 1964) or to exaggerate the effect, as during the period of adjustment which was experienced in 1967.

TABLE 6

CHANGES IN CURRENT ACCOUNT BALANCES[1][2]

1967 over 1966

	1Q	2Q	3Q	4Q	Year
	(Millions of dollars)				
Merchandise balance	+ 88	+ 55	−137	+251	+257
Non-merchandise balances:					
Travel	− 10	+172	+290	+ 35	+487
Other	− 25	−127	+ 16	+ 11	−125
Total non-merchandise	− 35	+ 45	+306	+ 46	+362
Total current account balance	+ 53	+100	+169	+287	+619

[1]Change over the corresponding quarter of the previous year.

[2]Balance of payments basis.

NOTE: + =increase in surplus, reduction of deficit, or swing into surplus.
− =increase in deficit, reduction of surplus, or swing into deficit.

On a balance of payments basis, the reduction in the current account to $543 million in 1967 owed over three-quarters to a swing in the travel account, but the contribution of merchandise transactions to the improvement was also substantial. As table 7 shows, Canadian expenditure on foreign goods and services in 1967 rose at less than half the rate of the previous year, in accordance with domestic economic conditions, and the more moderate growth in current payments was reflected in every account except inheritances and emigrants' funds.

TABLE 7

CHANGES IN INCOME AND EXPENDITURE WITH OTHER COUNTRIES

	Income from other countries		Payments to other countries	
	1966	1967	1966	1967
	(Per cent change from previous year)			
Merchandise trade	18.1	10.3	17.1	7.9
(excluding wheat and flour)	(17.1)	(15.3)	(17.1)	(7.9)
Gold production available for export	− 8.0	−11.8	—	—
Travel	12.4	55.2	13.1	− 2.6
Interest and dividends	− 1.2	− 7.5	5.0	4.4
Freight and shipping	13.5	11.5	8.1	7.4
Inheritances and migrants' funds	24.1	25.7	− 6.2	7.6
Official contributions	—	—	78.5	9.0
Other services	17.7	6.2	18.5	12.0
Total services	12.2	20.5	11.8	6.0
(excluding travel)	(12.1)	(7.4)	(11.5)	(8.1)
Total income or expenditures	16.7	12.6	15.4	7.3

Exports of merchandise, which rose more rapidly than imports of merchandise, led to an improvement in the merchandise balance. The smaller rate of increase in 1967 than in 1966 was a reflection of the generally less buoyant market conditions abroad in 1967. Towards the end of the year, however, there was a marked acceleration in economic activity in the United States and Europe, which had a very beneficial effect on the Canadian trade balance, as it coincided with a period of progressive deceleration in Canadian imports. The recovery in exports in the fourth quarter was linked with a number of special factors in the United States, which led to the first quarterly merchandise trade surplus with that country since 1951.

CHANGES IN MERCHANDISE EXPORTS AND IMPORTS

	1967				
	1Q	2Q	3Q	4Q	Year
	(Per cent change from same period a year ago)				
Exports (adjusted)	17.4	16.0	0.3	8.9	10.3
Imports (adjusted)	13.5	13.6	5.9	—	7.9

It is of interest to trace the substantial changes in exports throughout 1967 and 1968. A rapid growth in exports had begun in the fourth quarter of 1965 and continued into the first half of 1967. Wheat exports, despite large aid shipments to India in the second quarter, were barely above the level of a year earlier, but

exports of automobiles and products were still running at twice the 1966 level and helped to maintain the momentum of the export expansion. Canadian shipments of goods other than wheat and automobiles were by mid-year still rising at the same rate as a year earlier, although the trend throughout the first half of the year had been clearly moderating. A slight deceleration in exports to the United States in the second quarter was largely offset by a recovery in shipments to the U.K., the European Economic Community, and elsewhere. Of particular strength throughout the first half of 1967 were exports to Japan and Australia.

The break in the trend occurred in the third quarter. With the close of the 1966–67 wheat season (and purchase agreements thereunder) at the end of July, wheat exports fell to less than 40 per cent of the 1966 level. Motor vehicle shipments continued to rise at a rapid rate in July and August, but from September onwards were affected by a strike in the United States which caused a shortage of parts in Canadian plants. Export of goods other than wheat and automobiles fell below the level of a year earlier in August and September, as exports to Europe and South Africa and Japan declined. Shipments to Japan, which until the end of July had maintained a level some 60 per cent higher than in the previous year, showed only eight per cent increases in August and September. Similarly, there was a sharp deceleration in exports to the United States which was only partly accounted for by the strike. Indeed, the third quarter levelling was remarkable for its pervasiveness. Isolated elements of strength were exports to Australia and the higher demand for Canadian petroleum arising out of the Middle East Crisis.

The recovery in exports in the fourth quarter was extraordinary in the sense that it occurred in the face of continued low levels of wheat exports and strike-affected export levels of automotive products. Other exports, however, rose about 13 per cent in the quarter. In part, this development was associated with a general strengthening of foreign demand, as the U.S. and European economies began to take on more buoyant characteristics; but the most dynamic elements of the fourth quarter export performance were copper and iron and steel. The former was affected by the prolonged copper strike in the United States, and the latter by hedging operations on the part of U.S. companies against a possible steel strike in the summer of 1968.

The deceleration in imports in the second half of the year was very pronounced. Imports of machinery, iron and steel and non-ferrous metals were all below the level of the previous year. Imports of motor vehicles and parts rose less rapidly than before, particularly in the fourth quarter. Imports of foodstuffs and consumer durables rose twice as rapidly as in 1966, and imports of aircraft and parts, and of petroleum from Venezuela, also increased.

In general, there was a progressive moderation in import demand for producer durables and certain raw materials, reflecting the adjustment to a lower rate of economic growth during 1967. The trade deficit for motor vehicles and parts declined by about $150 million, but this was more than offset by the $350 million shortfall in wheat and flour exports. The increase in the overall trade surplus was, therefore, due entirely to the turnabout in the balance on goods other than wheat and automobiles, from a deficit of over $300 million in 1966 to a substantial surplus in 1967. On a geographical basis, the major changes were an improvement in the bilateral trade balance with the United States, which was considerably larger than the reduction in the deficit on motor vehicles and parts alone, and a decline of about the same magnitude in the trade balance with the state-trading countries, which accounted for nearly the entire shortfall in wheat sales. There

was a further improvement in the terms of trade, though not as pronounced as in 1966, which added approximately $155 million to the overall trade surplus in 1967.

In the first half of 1968, there was a further substantial improvement in the current account as a result of the large increase in the merchandise trade surplus. The deficit on non-merchandise transactions rose moderately in the first quarter due largely to higher payments of interest and dividends, and more rapidly in the second quarter as a result of the adjustment to more normal levels of tourist receipts from the corresponding quarter of last year. Canadian merchandise trade expanded rapidly during the first half of the year; exports of goods rose by 16½ per cent, while the increase in imports was about 8 per cent. Many of the same factors which helped to bring about the recovery of exports in the fourth quarter were still operative in the first part of the current year. However, following the fiscal changes passed by the U.S. Congress in June, and with the settlement of labour problems in the U.S. steel and copper industries, it can be expected that U.S. purchases will be scaled down substantially in the second half of the year.

Exports to Italy and Japan have been declining, and the rate of shipments to the U.K., a feature of the recovery of exports in the fourth quarter, has also slackened. As a result, the accelerated export expansion during the first half of the current year has polarized increasingly on shipments to the United States.

Imports resumed their advance in the new year. The strong demand for consumer goods continued and imports of motor vehicles and parts bounded upward as the backlog of orders began to be filled, but imports of iron and steel and of machinery continued to decline. Despite this rise in imports, the merchandise trade surplus has increased to an annual rate of over one billion dollars, which is similar to the fourth quarter performance, but represents twice the level of the first six months of 1967. The deficit for motor vehicles and parts was about the same for both periods, while shipments of wheat were still nearly 30 per cent lower than in the first half of last year. The trade balance for other commodities, however, showed a surplus of nearly $400 million, compared to a deficit of over $60 million in 1967.

The Labour Force

The Canadian labour force in 1967 again grew at an exceptionally rapid rate compared to that of other industrialized countries of the free world. However, the actual increase of 3.7 per cent was slightly less than that of 1966, and the changes which occurred among the component groups were indicative of the adjustments taking place across the entire economy. These changes continued in the first half of 1968.

TABLE 8
CHANGES IN THE LABOUR FORCE
1963 to 1968

	1963	1964	1965	1966	1967	1968[1]
	(Per cent change from previous year)					
Total labour force	2.0	2.7	3.0	3.9	3.7	2.5
Agriculture	−1.9	−3.2	−6.1	−8.5	2.7	−1.4
Non-agriculture	2.5	3.4	3.9	5.0	3.8	2.8
Men	1.2	1.7	2.1	2.5	2.6	2.0
Women	4.1	5.5	5.3	7.3	6.2	4.0
Ages 14–19	3.7	4.2	5.4	5.4	4.9	2.6

[1]First eight months, compared to the same period in 1967.

One of the clearest indicators of the slackened labour market pressure in 1967 was the turnaround in the movement of workers off the farms. The movement out of agriculture, which has been a feature of the entire postwar period, has characteristically accelerated during periods of rapid growth in the non-farm economy, and has been less marked during recession or periods of less rapid economic growth. The last occasion upon which an actual increase in the agricultural labour force occurred was during the brief but sharp recession of 1954; at that time, however, the labour force itself was growing at less than half its 1967 rate. The decline in the agricultural labour force resumed during the first half of 1968.

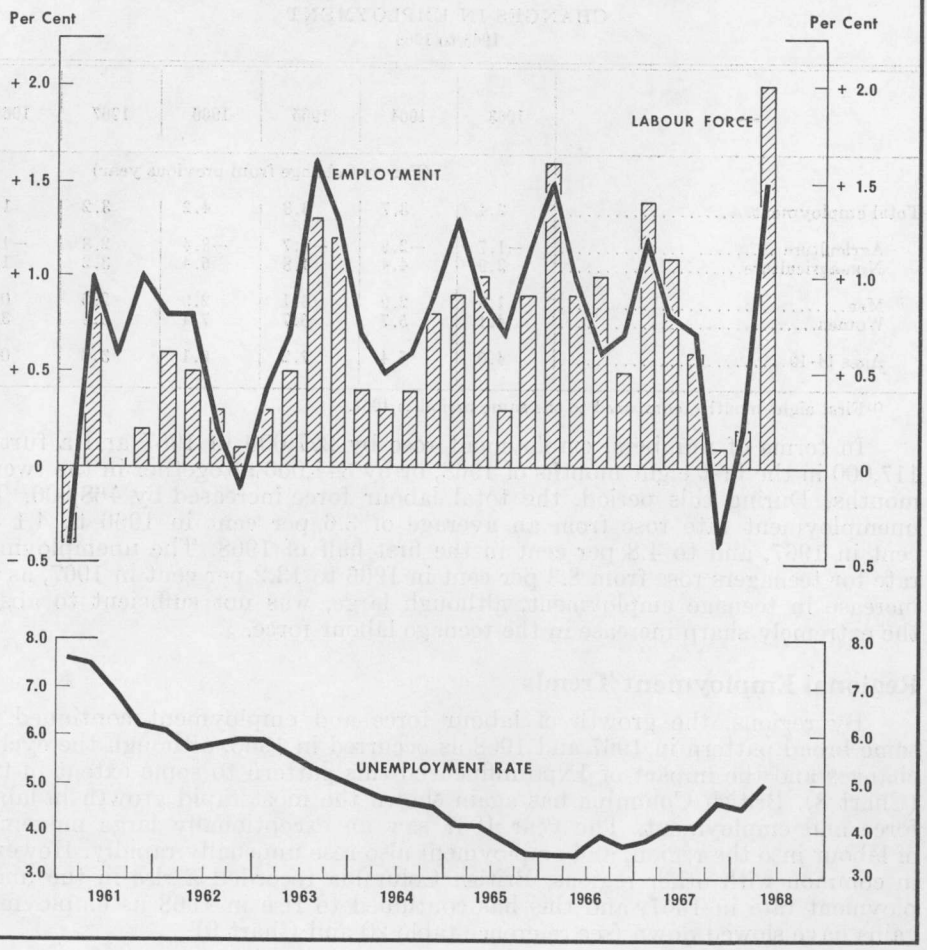
As table 8 indicates, the growth of the female labour force also experienced a change of pace in 1967, after a particularly sharp advance in 1966, and this

CHART 7

CHANGES IN LABOUR FORCE AND EMPLOYMENT, CANADA

1961 - 1968

SEASONALLY ADJUSTED BY QUARTERS



slower pace has been accentuated in 1968. The actual 1967 increase, however, was still very substantial, as Expo and other Centennial activities created employment opportunities in a wide range of occupations of interest to women. Young people also, as their numbers continued to expand, were attracted into the labour market by the widespread demand for relatively unskilled and inexperienced workers.

The 1967 labour force growth reflected higher immigration than in 1966, although the inflow slowed during the later months of the year. The first half of 1968 also showed a reduced movement of newcomers into Canada compared to the first two quarters of 1967. Recent labour force trends are set out in detail in reference table 19, and the changes of recent years are shown in Chart 7.

Employment

Employment rose by 3.2 per cent in 1967 and advanced by a further 1.6 per cent in the first eight months of 1968. The rate of increase in employment thus has declined quite sharply from the 4.2 per cent peak of 1966, and has fallen short of the increase in the labour force in both 1967 and 1968.

TABLE 9
CHANGES IN EMPLOYMENT
1963 to 1968

—	1963	1964	1965	1966	1967	1968[1]
	(Per cent change from previous year)					
Total employment	2.4	3.7	3.8	4.2	3.2	1.6
Agriculture	−1.7	−2.9	−5.7	−8.4	2.8	−1.3
Non-agriculture	2.9	4.4	4.8	5.4	3.2	1.8
Men	1.8	2.9	3.1	2.9	2.0	0.8
Women	4.1	5.7	5.7	7.4	5.9	3.4
Ages 14–19	4.0	5.4	7.2	6.1	3.6	0.5

[1]First eight months, compared to the same period in 1967.

In terms of numbers, employment rose by 227,000 in 1967 and a further 117,000 in the first eight months of 1968, or by 344,000 altogether in the twenty months. During this period, the total labour force increased by 468,000. The unemployment rate rose from an average of 3.6 per cent in 1966 to 4.1 per cent in 1967, and to 4.8 per cent in the first half of 1968. The unemployment rate for teenagers rose from 8.3 per cent in 1966 to 13.2 per cent in 1967, as the increase in teenage employment, although large, was not sufficient to absorb the extremely sharp increase in the teenage labour force.

Regional Employment Trends

By regions, the growth of labour force and employment continued the same broad pattern in 1967 and 1968 as occurred in 1966, although the cyclical changes and the impact of Expo influenced this pattern to some extent in 1967 (Chart 8). British Columbia has again shown the most rapid growth in labour force and employment. The year 1967 saw an exceptionally large movement of labour into the region, and employment also rose unusually rapidly. However, in common with other regions, British Columbia recorded a rise in the unemployment rate in 1967, and this has continued to rise in 1968 as employment gains have slowed down (see reference table 20 and Chart 9).

CHART 8

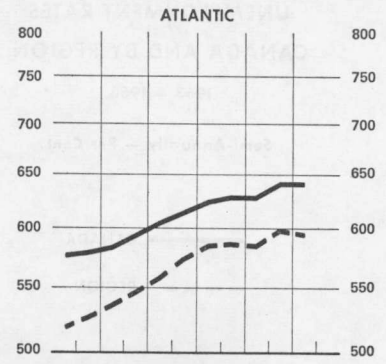
LABOUR FORCE AND EMPLOYMENT BY REGION

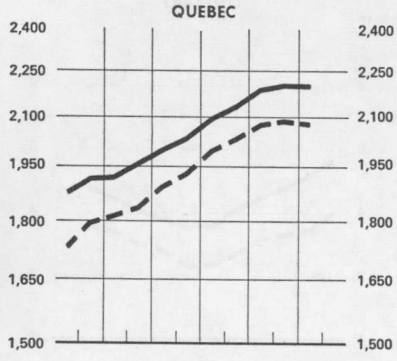
1963 – 1968

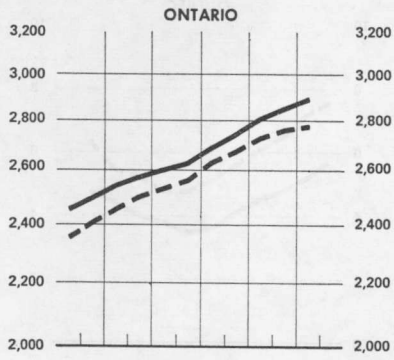
Semi-Annually – In Thousands
(Ratio-Scale)

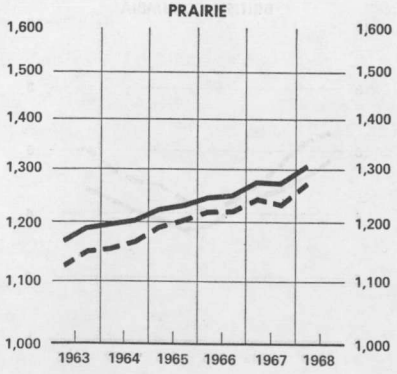
LABOUR FORCE

EMPLOYMENT









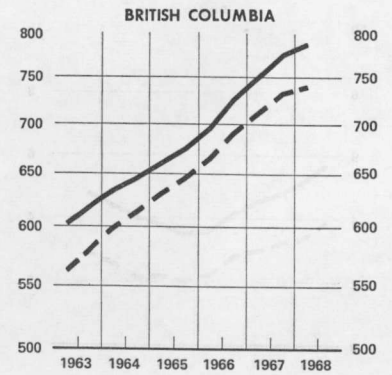
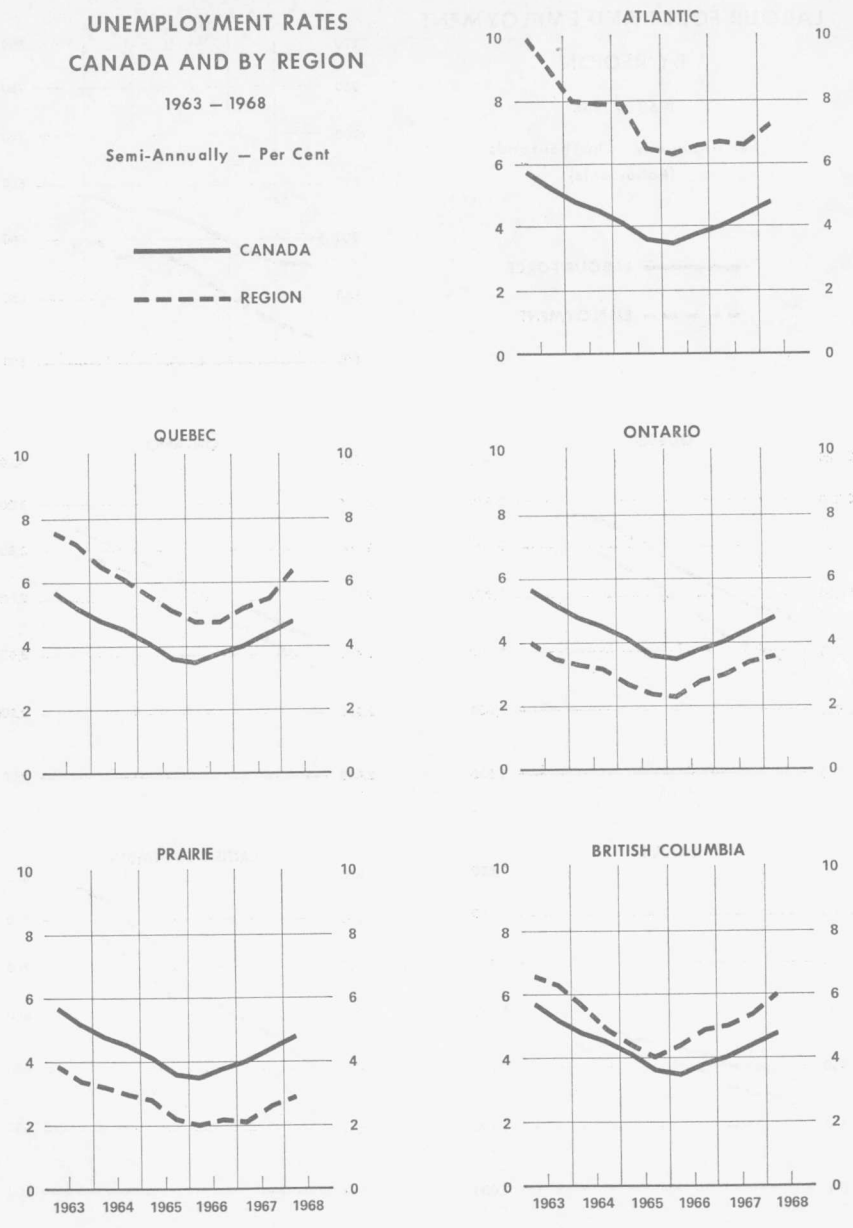


CHART 9


UNEMPLOYMENT RATES
CANADA AND BY REGION
1963 — 1968
Semi-Annually — Per Cent
CANADA
REGION
ATLANTIC
QUEBEC
ONTARIO
PRAIRIE
BRITISH COLUMBIA
0
2
4
6
8
10
1963
1964
1965
1966
1967
1968

The Prairie region in 1967 experienced slower growth of both labour force and employment, possibly reflecting movement of workers to British Columbia. During the first half of 1968 signs of change became apparent, as the Prairie labour force (and particularly the non-farm labour force) climbed relatively sharply. Partially reflecting this, the Prairie region unemployment rate rose from the 1967 rate of 2.4 per cent to 3.4 per cent in 1968. At the same time, the flow of workers off the farms into the non-agricultural labour force, which had been temporarily arrested in 1967, resumed in 1968, as non-farm employment in this region returned to a more rapid rate of growth.

In Ontario, the total labour force reached a peak rate of expansion in 1967, with a gain of 4.2 per cent over 1966. The non-agricultural labour force slowed its rate of growth from the peak of the previous year, as the outflow of workers from agriculture slowed down here also. In 1968, as the economy has been re-adjusting from the activities of Centennial year, all the labour force components have shown smaller advances. Non-farm employment, which rose by 4.7 per cent in 1966 and 3.5 per cent in 1967, rose by 2.6 per cent in the first half of 1968 (compared to a year earlier). Labour force growth has fallen to 3.1 per cent. As a result, the unemployment rate, which had remained at 2.5 per cent in 1965 and 1966, rose to 3.1 per cent in 1967 and 3.6 per cent in the first half of 1968.

Developments in Quebec have been affected both by the impact of Expo in 1967 and by the readjustments which have followed. As in all other regions except British Columbia, the peak rate of growth in employment occurred in 1966, but the advance in 1967 was still very substantial, at 3.2 per cent. Partly as a reaction to this, Quebec recorded a small decline in employment in the first half of 1968 compared to a year earlier, and the growth in the labour force was only slight. The unemployment rate, despite the employment created by Expo and related activities, rose to 5.3 per cent in 1967, second only to the Atlantic region, and rose again to 6.4 per cent in the first half of 1968.

The Atlantic region has continued to record slower growth in employment than other regions except Quebec, and the regional participation rates also remain lower than elsewhere in Canada. In addition, although the Atlantic region currently is experiencing higher unemployment rates than was the case in 1967 it is noteworthy that the spread between the Atlantic rate and those in other regions has narrowed since 1965. Thus, although the readjustments now taking place in the economy are resulting in higher unemployment in all regions, the Atlantic provinces are not experiencing the relative worsening of their position that has been apparent in similar circumstances in the past.

Output, Productivity, Costs and Prices

The year 1967 was a period in which real output increased less rapidly, as capital investment outlays levelled off and the private non-farm sector completed some major expansion programmes. With continued rapid labour force growth and the emergence of a margin of reserve capacity, the pressures on resources which had become marked in 1966 began to recede. However, the sustained demand for labour associated with Centennial year activities, and the continued (if more moderate) growth in total expenditures, maintained conditions in which costs continued to rise. The general level of prices (GNE deflator) rose by 3.9 per cent in 1967, after a rise of 4.5 per cent in 1966; the rise in the first half of 1968 over the first half of 1967 was about 3.3 per cent.

Production of Goods and Services

The rise in real domestic product in 1967, excluding agriculture, was 3.6 per cent, and in the first half of 1968 it continued to rise at about the same rate. With the exception of the second quarter of the year quarterly gains in 1967 and into early 1968 were moderate, but there was evidence of greater strength in the second quarter of 1968, as shown in Chart 10.

TABLE 10
CHANGES IN REAL DOMESTIC PRODUCT
(by quarters)

—	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous quarter)							
Real domestic product less agriculture	0.3	1.3	0.6	1.7	0.6	0.6	0.6	1.5
Mining	−3.5	4.9	1.4	2.6	0.8	3.2	−0.3	2.4
Manufacturing	0.3	0.7	−1.1	0.5	0.4	1.1	−0.3	3.2
Non-durables	−0.5	1.0	−0.2	1.0	−0.1	1.1	2.2	1.3
Durables	1.0	0.4	−2.0	−0.1	1.0	1.0	−2.7	5.2
Construction	−4.2	−0.8	1.0	3.1	2.0	−3.1	1.5	6.1
Transportation, storage and communication	—	2.5	2.3	1.1	0.6	0.8	2.1	−1.5
Trade	2.8	1.7	−0.7	4.0	−0.5	1.0	−0.7	0.6
Finance, insurance and real estate	1.1	0.7	1.2	1.5	1.2	0.9	0.7	1.2
Services	0.9	1.3	1.3	1.6	0.9	0.3	0.6	0.6
Commercial industries less agriculture	0.1	1.3	0.5	1.6	0.5	0.6	0.5	1.7

SOURCE: DBS *Indexes of Real Domestic Product by Industry (1961 Base).*
DBS *Index of Industrial Production (1961=100)*

The manufacturing sector revealed some weakness through the first nine months of 1967, but picked up strength in the fourth quarter. This new trend was temporarily halted in early 1968, as industrial disputes restricted the growth in output in some industries, but was resumed in the second quarter.

The construction industry, which had reached a peak in output in early 1966, operated at a lower rate during the second half of that year, but picked up again in 1967. In part this reflected the pattern of residential construction, as housing starts declined throughout 1966 until the final months of the year before turning up, but it also reflected the timing of a wide range of projects, both public and private, associated with preparations for Expo and other Centennial activities. Strong gains occurred in the first half of 1968. The service industries taken together experienced higher levels of activity in late 1966

and the first half of 1967, but have advanced more slowly since then. The slower pace has persisted in the first half of 1968.

In total, the commercial sector excluding agriculture showed relatively modest quarterly gains from mid-1966 (except during the Expo-stimulated second quarter of 1967) until early 1968, but developments during the second quarter of the present year brought about a sharper advance in this measure of total economic activity.

Employment gains in the total non-agricultural commercial sector reflected this overall trend in 1966 and 1967, showing a generally slower rate of advance during this period than in the preceding quarters of continued rapid growth.

CHART 10

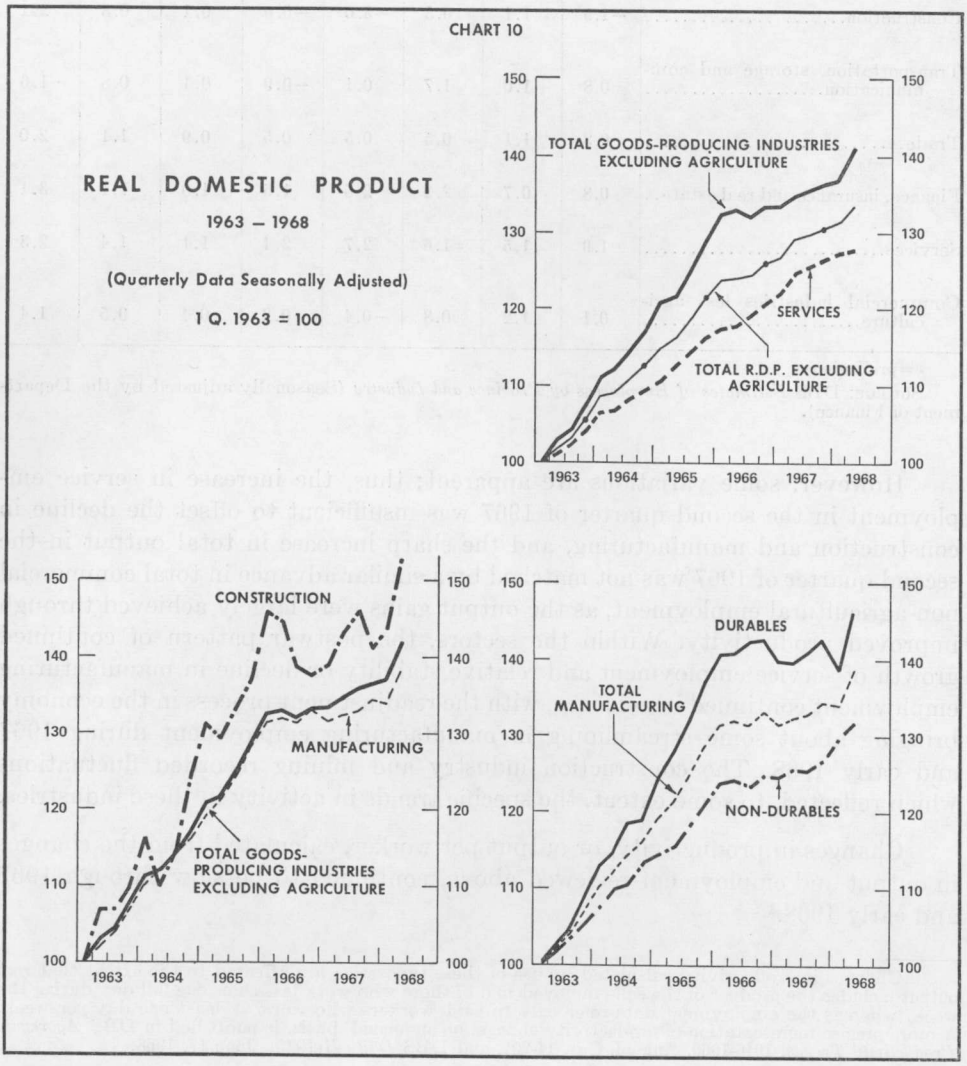


TABLE 11
CHANGES IN EMPLOYMENT BY INDUSTRY
(by quarters)

	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q[p]
	(Per cent change from previous quarter)							
Mines	−3.2	2.8	0.9	−0.8	1.1	0.8	1.3	−0.8
Manufacturing	0.3	0.9	0.1	−1.0	−0.1	−0.4	−0.8	1.3
Non-durables	0.2	0.7	0.1	−0.4	−0.6	—	0.5	1.6
Durables	0.6	1.1	−0.1	−1.8	0.6	−0.8	−2.2	0.9
Construction	−1.9	1.1	0.3	−5.0	−0.6	0.1	0.3	2.1
Transportation, storage and communication	0.8	1.0	1.7	0.1	−0.9	0.1	0.8	−1.6
Trade	0.3	1.1	0.5	0.5	0.5	0.9	1.1	2.0
Finance, insurance and real estate	0.8	0.7	2.2	2.5	1.5	1.0	1.1	3.1
Services	1.9	1.5	1.6	2.7	2.4	1.1	1.4	2.3
Commercial industries less agriculture	0.1	1.2	0.8	−0.4	−0.2	0.4	0.5	1.4

[p]=preliminary

SOURCE: DBS *Estimates of Employees by Province and Industry* (Seasonally adjusted by the Department of Finance).

However, some variations are apparent; thus, the increase in service employment in the second quarter of 1967 was insufficient to offset the decline in construction and manufacturing, and the sharp increase in total output in the second quarter of 1967 was not matched by a similar advance in total commercial non-agricultural employment, as the output gains were largely achieved through improved productivity. Within the sectors, the postwar pattern of continued growth of service employment and relative stability or decline in manufacturing employment continued in evidence, with the readjustment process in the economy bringing about some streamlining in manufacturing employment during 1967 and early 1968. The construction industry and mining recorded fluctuations which reflected, to some extent, the specific trends in activity in these industries.

Changes in productivity, or output per worker, calculated from the changes in output and employment reviewed above, continued to be slow through 1967 and early 1968.[1]

(1) Changes in productivity calculated by use of these two series are affected to the extent that real output includes the product of the self-employed and of those who work less than one full day during the week, whereas the employment data refer only to paid workers who work at least one day per week. A more precise representation of productivity change, on an annual basis, is published in DBS *Aggregate Productivity Trends*, 1946-1966, Annual, Cat. 14-201, and DBS *Daily Bulletin*, June 17, 1968.

TABLE 12
CHANGES IN OUTPUT PER EMPLOYEE
(by quarters)

	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q[p]
	(Per cent change from previous quarter)							
Mines	−0.3	2.0	0.5	3.4	−0.3	2.4	−1.6	3.2
Manufacturing	—	−0.2	−1.2	1.5	0.5	1.5	0.5	1.9
Non-durables	−0.7	0.3	−0.3	1.4	0.5	1.1	1.7	−0.3
Durables	0.4	−0.7	−1.9	1.7	0.4	1.8	−0.5	4.3
Construction	−2.3	−1.9	0.7	8.5	2.6	−3.2	1.2	3.9
Transportation, storage and communication	−0.8	1.5	0.6	1.0	1.5	0.7	1.3	0.1
Trade	2.5	0.6	−1.2	3.5	−1.0	0.1	−1.8	−1.4
Finance, insurance and real estate	0.3	—	−1.0	−1.0	−0.3	−0.1	−0.4	−1.8
Services	−1.0	−0.2	−0.3	−1.1	−1.5	−0.8	−0.8	−1.7
Commercial industries less agriculture	—	0.1	−0.3	2.0	0.7	0.2	—	0.3

[p]=preliminary
SOURCE: tables 10 and 11.

With respect to some of the productivity changes shown for some of the service industries, it should be pointed out that there are both statistical and conceptual problems which make interpretation of trends difficult. Fluctuations in productivity in construction were large, as this industry readjusted from its earlier high levels of activity. The mining sector generally showed significant gains in productivity.

The readjustment process was, however, reflected more consistently in the manufacturing sector, as the labour force was progressively streamlined and redeployed following the overheated situation of 1965 and early 1966. In the non-durables industries, productivity gains were sizable in most quarters after a slow start in early 1967. Gains in the durables industries were affected in early 1968 by labour disputes in some areas, but otherwise also showed a general advance. Second-quarter gains in this sector were substantial. As a result of these mixed trends, the total non-agricultural commercial sector recorded relatively poor productivity gains from mid-1966 to early 1968, except during the unusual second quarter of 1967.

A comparison of income and production data (table 13) provides an indication of changes in wage costs and profits per unit of output. This table shows a continued rise in total unit labour costs. Trends are depicted graphically in Chart 11. For the first half of 1968, the increase over the first half of 1967 was 2.5 per cent. This compared with an increase of 5.6 per cent in 1967, over 1966.

CHART 11

WAGE COSTS PER UNIT OF OUTPUT

1963 – 1967

BY MAJOR INDUSTRIAL GROUPINGS

(1963 = 100)

(Ratio Scale)

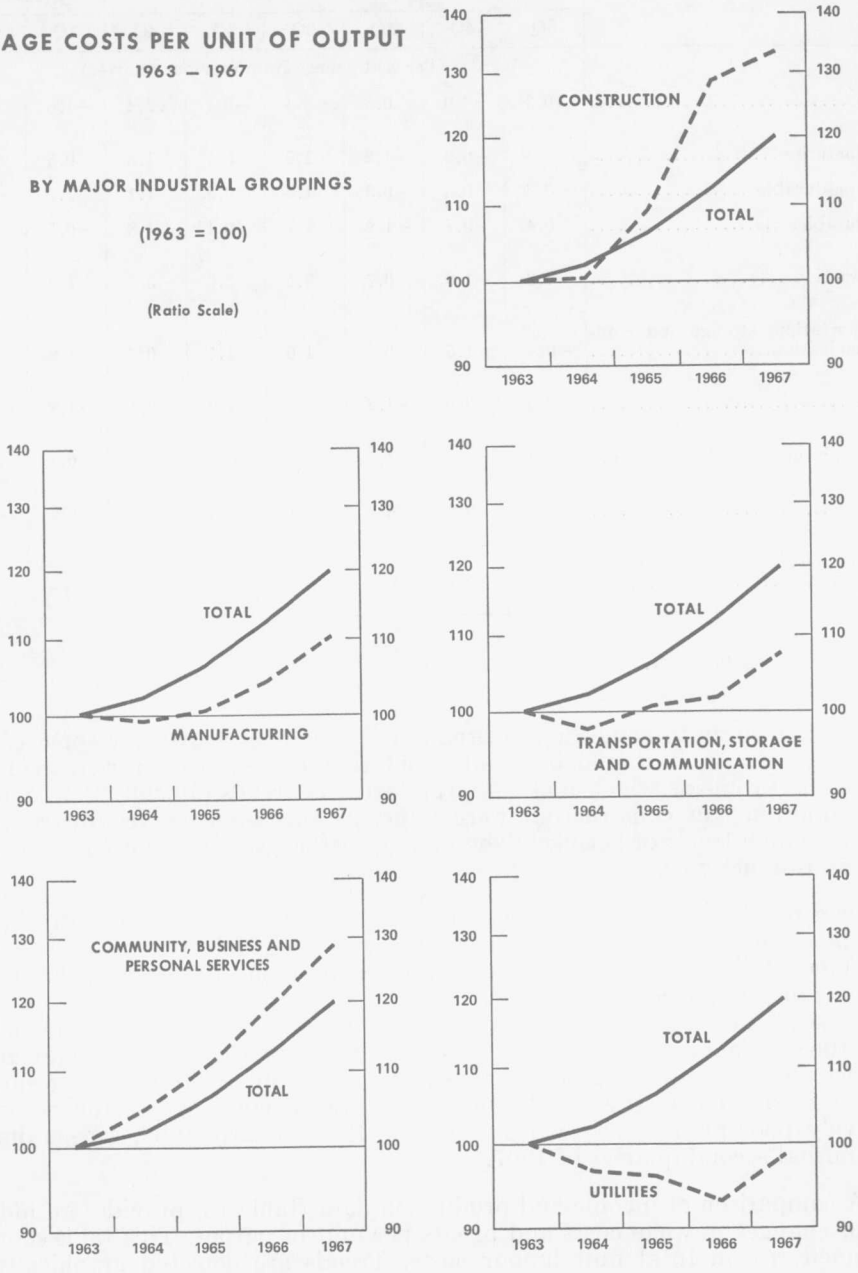


TABLE 13
CHANGES IN EARNINGS AND OUTPUT
(by quarters)

	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q[p]
	(Per cent change from previous quarter)							
Wages and salaries per worker								
Non-farm	1.6	1.7	1.5	1.7	1.3	0.7	1.6	1.5
Manufacturing	2.2	1.0	0.6	2.3	2.3	0.7	1.5	1.6
Output per worker								
Non-farm	−0.3	0.1	−0.4	1.5	—	0.2	0.1	0.1
Manufacturing	—	−0.2	−1.2	1.5	0.5	1.5	0.5	1.9
Wages and salaries per unit of output								
Non-farm	1.9	1.6	1.9	0.2	1.3	0.5	1.5	1.4
Manufacturing	2.2	1.2	1.8	0.8	1.8	−0.8	1.0	−0.3
Corporate profits per unit of output								
Non-farm	−8.2	5.2	−7.2	0.3	4.6	1.0	−0.6	5.3
Manufacturing	−9.1	3.2	−5.6	2.0	4.7	5.4	0.6	6.4

[p]=preliminary

SOURCE: DBS *Estimates of Labour Income.*

DBS *Estimates of Employees by Province and Industry* (Seasonally adjusted by the Department of Finance).

DBS *Indexes of Real Domestic Product by Industry (1961 Base).*

DBS *Index of Industrial Production (1961=100).*

DBS *Corporation Profits.*

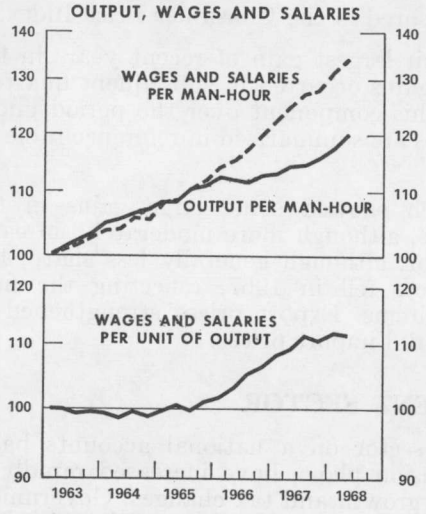
CHART 12

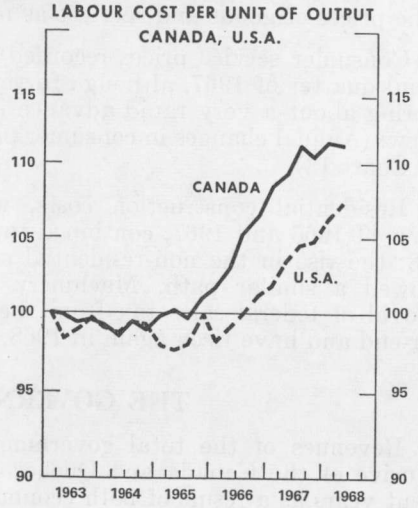
LABOUR COSTS AND PRODUCTIVITY IN MANUFACTURING

1963 – 1968

1Q 1963 = 100

(Ratio Scale)





The continued strong advance in overall unit labour costs reflects both the modest gains in total productivity and the sustained rapidity of the rise in wage rates discussed on earlier pages. Quarterly changes in the manufacturing sector have shown greater tendency to variability than the overall total. Both series, however, have recorded generally more moderate quarterly advances than were observed during the period of peak pressures around mid-1966.

Corporation profits per unit of output in the non-farm economy as a whole have varied sharply since late 1965. Since mid-1966, however, when there was a sharp fall in unit profits, there has been some increase. In the manufacturing sector since early 1967, in association with productivity improvements, unit profits have advanced. Industrial conflict in the first quarter of 1968 slowed this move towards higher unit profits.

Price Developments

The forces principally bearing upon price changes in 1967 were a continued but much more moderate upward movement of food prices, a rise in the price of services as higher wage and other costs worked through the service sectors, a rapidly-developing shortage of serviced land and of housing, and higher indirect taxes at both the federal and the provincial levels. As a result of these various developments the overall measure of price change, as recorded in the national accounts, rose by 3.9 per cent in 1967. This represented a decline from the 4.5 per cent gain of the previous year, and was followed by a further moderation in the first half of this year, when the GNE price deflator averaged about 3.3 per cent higher than the first half of the preceding year.

After the extremely strong advances in food prices in 1966, there was a levelling-off in this component during the first half of 1967. A sharp third-quarter rise was followed by a further period of relatively little change, apart from normal seasonal patterns. In the early part of 1968 changes in taxes at all levels of government caused a sharp rise in the prices of non-durables other than food, and services.

During the past two years, increases in indirect taxes, including retail sales taxes levied at the provincial level, accounted for about one-fifth of the increase in the prices of goods and services as measured in the Consumer Price Index.

Consumer service prices recorded their largest gain of recent years in the second quarter of 1967, although further gains occurred in subsequent quarters to bring about a very rapid advance in this component over the period under review. (Annual changes in consumer prices are summarized in reference table 31 and Chart 13).

Residential construction costs, which showed some large gains in the course of 1966 and 1967, continued to rise, although more moderately, in early 1968; the rise in the non-residential sector, although generally less sharp, has followed a similar path. Machinery prices fell in 1967, reflecting the final removal of federal sales tax from these items. Export prices strengthened at year-end and have risen again in 1968, as did import prices.

THE GOVERNMENT SECTOR

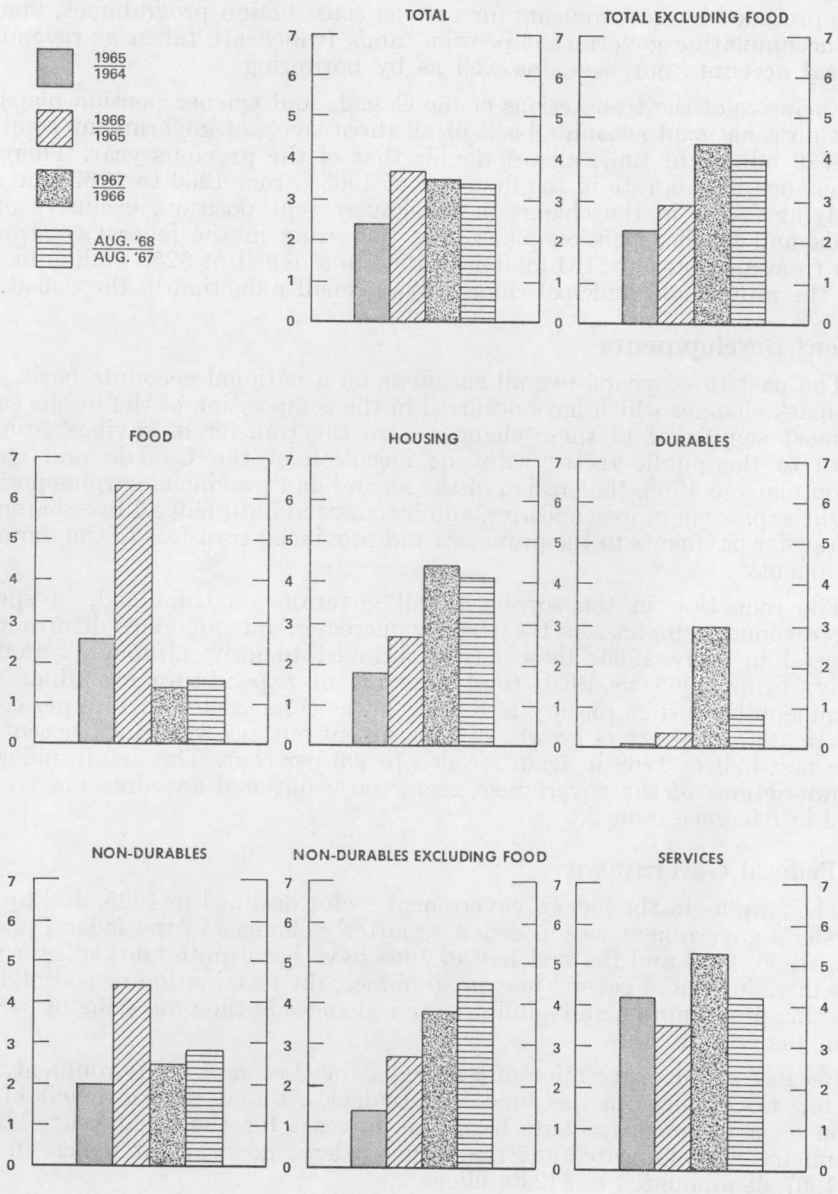
Revenues of the total government sector on a national accounts basis, inclusive of the Canada and Quebec pension plans, have increased rapidly in recent years as a result of both economic growth and tax changes. Government expenditures also have risen rapidly in this period although recently this trend

CHART 13

CONSUMER PRICE INDEX

ANNUAL PER CENT CHANGE

1965 – 1968



has moderated with the attempt by governments to curtail the growth of their outlays. These developments are illustrated on Chart 14. The government sector as a whole has had moderate although decreasing surpluses since 1965. In 1965 and 1966 the overall surpluses were $325 million and $348 million respectively. During 1967 the size of the surplus dropped to about one-half of that of the previous year; some increase occurred in the first half of 1968, as shown on Chart 15. It should be noted that these figures do not include large amounts of loans, provided by governments for various construction programmes, financed from accumulating government pension funds (which are taken as revenue for national accounts purposes), as well as by borrowing.

Exclusive of the transactions of the Canada and Quebec pension plans, the deficit on a national accounts basis of all three levels of government combined was $729 million in 1967, almost double that of the previous year. There was little change in this rate in the first half of 1968. From 1966 to 1967, the main underlying factor in the change in the government position, exclusive of the Canada and Quebec pension plans, was the swing in the federal government sector from a surplus of $164 million in 1966 to a deficit of $256 million in 1967, while the provincial-municipal change was a small reduction in the deficit.

Current Developments

The past three years' overall surpluses on a national accounts basis, however, mask changes which have occurred in the composition of the public sector. The most significant of these changes were the transfer of savings from the private to the public sector with the inception of the Canada and Quebec pension plans in 1966, the erosion of the federal and provincial surplus positions with the expansion of expenditures, and increases in both federal tax abatements and transfer payments to the provinces and provincial transfers to the municipal governments.

The reduction in the surplus of all governments combined, in spite of rising revenues, emphasizes the sharply increased rate of expenditures which developed in early 1966; these have continued to grow although rather less rapidly. From 1965 to 1966, total government expenditure excluding intergovernmental transfers rose by 15.8 per cent, as compared with 11.6 per cent in 1965. In 1967, the rate of growth of government outlays was 11.4 per cent, and in the first half of 1968 it again receded to 9.6 per cent. The detail underlying the transactions of the government sector on a national accounts basis is presented in reference table 33.

The Federal Government

The surplus in the federal government sector declined in 1965, and by 1967 the federal government was in deficit. Quarterly changes in the federal position during 1966, 1967 and the first half of 1968 have been quite marked as a result of the introduction of several new programmes, the termination or consolidation of existing programmes, and administrative changes in the processing of personal income tax refunds.

Because of the expectation of a more balanced economic environment, there were few tax changes in the June 1967 budget. At that time a deficit of $300 million on a national accounts basis was forecast for the fiscal year 1967–68. Preliminary data indicate that the actual federal government deficit in fiscal year 1967–68 amounted to $423 million.[1]

---

(1) The reconciliation of budgetary and national accounts revenue and expenditure is presented in reference table 35.

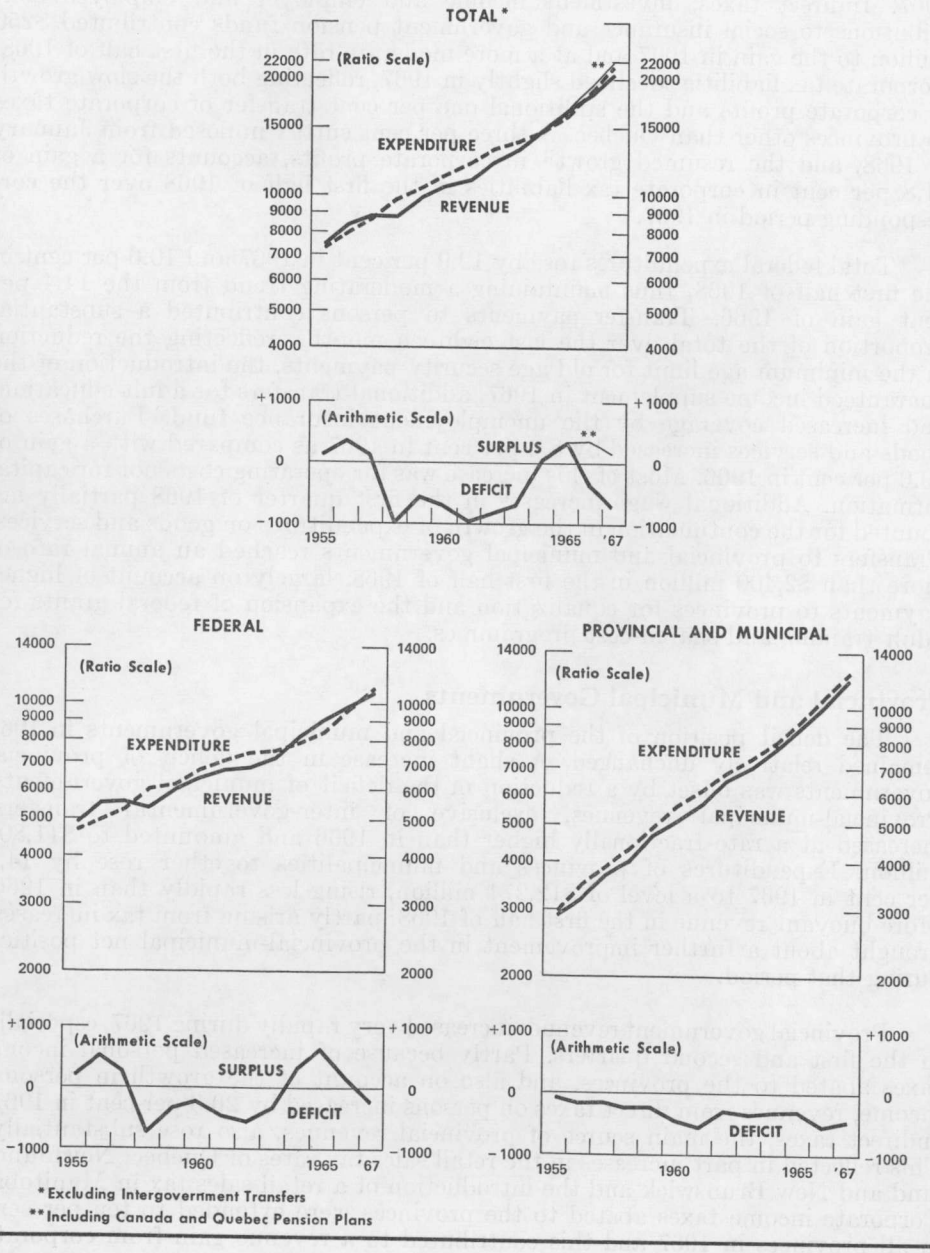
CHART 14

GOVERNMENT REVENUES AND EXPENDITURES

NATIONAL ACCOUNTS BASIS

1955 – 1967

MILLIONS OF DOLLARS



*Excluding Intergovernment Transfers

**Including Canada and Quebec Pension Plans

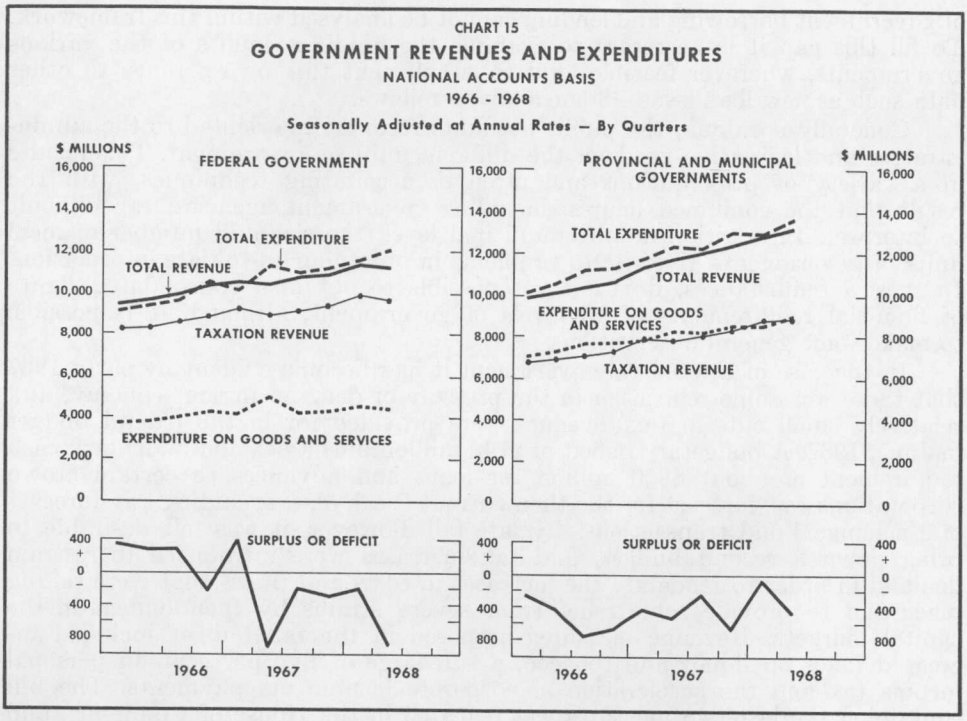
On a calendar year basis, federal revenues rose by 8.4 per cent in 1967, and by about as much in the first half of 1968. Approximately three-quarters of the revenue increase in these years was accounted for by gains in personal direct taxes. In 1967, these reflected the full year effect of the June 1966 substantial restoration of the 1965 tax reduction and, in 1968, the surtax on personal income imposed as of January 1, 1968. The increase is net of an additional $150 million in personal income tax abatements in favour of the provinces in 1967. Indirect taxes, investment income and employer and employee contributions to social insurance and government pension funds contributed $250 million to the gain in 1967 and at a more moderate rate in the first half of 1968. Corporate tax liabilities declined slightly in 1967, reflecting both the slow growth of corporate profits and the additional one per cent transfer of corporate taxes to provinces other than Quebec. A three per cent surtax imposed from January 1, 1968, and the resumed growth in corporate profits, accounts for a gain of 11.8 per cent in corporate tax liabilities in the first half of 1968 over the corresponding period in 1967.

Total federal expenditures rose by 12.9 per cent in 1967 and 10.6 per cent in the first half of 1968, thus maintaining a moderating trend from the 14.4 per cent gain of 1966. Transfer payments to persons contributed a substantial proportion of the total over the last eighteen months, reflecting the reduction in the minimum age limit for old age security payments, the introduction of the guaranteed income supplement in 1967, additional transfers for adult education, and increased coverage by the unemployment insurance fund. Purchases of goods and services increased by 8.6 per cent in 1967 as compared with a gain of 19.0 per cent in 1966. Most of this increase was for operating costs not for capital formation. Additional wage increases in the first quarter of 1968 partially accounted for the continuation in the growth of expenditures on goods and services. Transfers to provincial and municipal governments reached an annual rate of more than $2,400 million in the first half of 1968, largely on account of higher payments to provinces for equalization and the expansion of federal grants for adult training and shared-cost programmes.

Provincial and Municipal Governments

The deficit position of the provincial and municipal governments in 1967 remained relatively unchanged. A slight increase in the deficit of provincial governments was offset by a reduction in the deficit of municipal governments. Provincial-municipal revenues, exclusive of inter-governmental transfers, increased at a rate fractionally higher than in 1966 and amounted to $11,801 million. Expenditures of provinces and municipalities together rose by 14.4 per cent in 1967 to a level of $12,274 million, rising less rapidly than in 1966. More buoyant revenue in the first half of 1968, partly arising from tax increases, brought about a further improvement in the provincial-municipal net position during that period.

Provincial government revenues increased very rapidly during 1967, especially in the first and second quarters. Partly because of increased personal income taxes abated to the provinces, and also on account of the growth in personal income, revenues from direct taxes on persons increased by 26.3 per cent in 1967. Indirect taxes, the main source of provincial revenues, also rose substantially. This reflected in part increases in the retail sales tax rates of Quebec, Newfoundland and New Brunswick and the introduction of a retail sales tax in Manitoba. Corporate income taxes abated to the provinces were extended to ten per cent in all provinces in 1967 and this contributed to a revenue gain from corporate



tax liabilities, despite a levelling-off in corporate profits. Transfers from the federal government, which account for more than 20 per cent of total provincial revenues, increased by $330 million to reach a level close to $2 billion.

Expenditures of provincial governments continued to increase in 1967 at a rapid rate, as they have since 1964. In 1967, total provincial outlays amounted to $8,785 million, more than 21 per cent above their 1966 level. Purchases of goods and services, however, were up by only 13 per cent, compared to an abnormally large increase of 21.7 per cent in 1966, although there was a very rapid growth in wages, salaries and supplementary labour income. These increased by 18 per cent in 1967 as compared to increases of 13.6 and 12.1 per cent in 1966 and 1965 respectively. Transfers to persons rose by 29 per cent from 1966 to 1967, reflecting again a substantial increase in grants to non-commercial institutions such as hospitals, universities and schools, which are included in this category. In the first half of this year, the deficit position of provincial governments has shown some reduction, largely as a result of increased taxes.

Revenues of municipalities increased by 14.9 per cent in 1967 and by about 11 per cent in the first half of 1968. This has largely reflected the continuing rapid increase in transfers from provincial governments; these now provide over 40 per cent of all municipal revenues. Municipal expenditures increased at a slightly less rapid rate than in previous years, largely on account of a reduced rate of capital formation.

Financial Transactions of Governments

At the present time, the existing national accounts framework covers only income and expenditure transactions, and the important economic impact

of government borrowing and lending cannot be analysed within this framework. To fill this gap it is necessary to examine the public accounts of the various governments, wherever feasible, and to supplement this by reference to other data such as new loan issues. Some analysis follows.

Generally speaking, the public accounts records are oriented to the administrative and legislative needs of the different units of government. This results in a variety of presentations and often of accounting techniques, with the result that the combined figures, including government agencies, are difficult to interpret. In addition, at the municipal level, the size and number of local units of governments give rise to problems in obtaining up-to-date information. In these circumstances, it is not yet possible to obtain a consolidated figure of financial requirements of all levels of government, although it is possible to make some general observations.

In the case of the federal government it had become evident by early 1967 that there was some relaxation in the pressure of demand in the economy, and relatively small cuts in tax revenues were provided for in the federal budget in June, 1967. A budgetary deficit of $740 million plus a net non-budgetary cash requirement of about $850 million for loans and advances to certain crown corporations was forecast for the then current fiscal year, excluding any forecast of Exchange Fund transactions. By late fall, however, it was felt desirable to bring down a second budget, and tax increases were introduced to restrain demand in order to moderate the increases in costs and prices that were taking place and to provide some relief from severe strains by then evident in the capital markets. Revenue measures proposed in the fall budget included increased taxes on liquor and tobacco, a surcharge of five per cent on personal income tax and the acceleration of corporate income tax payments. The bill containing the last two measures was defeated in the House of Commons, and in March 1968 the government introduced another income tax bill to replace the bulk of the revenues that would have been provided by the measures earlier proposed. The new bill, which was passed, provided for a three per cent temporary surcharge on personal and corporate income taxes as well as an acceleration of corporate tax payments.

The federal government's actual financial requirement for 1967–68 amounted to $587 million, taking into account non-budgetary outlays and cash realized from foreign exchange transactions. This was considerably lower than the forecast, which had explicitly excluded these exchange transactions, but was about ten per cent higher than that reported for 1966–67. The difference between the budget forecast on June 1, 1967, and the realized result was largely accounted for by the Canadian dollar proceeds resulting from the decline in foreign exchange reserves in the first calendar quarter of 1968. Details of the financing of these cash requirements are set out in the pages on federal government debt management.

Cash requirements of the provincial governments based on public accounts and other sources are estimated to have risen from a little under $900 million in 1966–67 to over $1,250 million in fiscal 1967–68. The increase between the two fiscal years was accounted for almost equally by increases in provincial budgetary deficits and increased loans and advances to their agencies and enterprises. Almost all of the increases shown in both of these categories were accounted for by Ontario.

A major portion of the financing needed to meet the increased requirements for 1967–68 came from increases in the direct funded debt of the provinces, a larger volume of funds from the Canada and Quebec pension plans and the running down of bank balances. There was a sharp drop in provincial Treasury bill issues in 1967–68.

Only scattered information is available at the municipal level. Municipal deficits on a national accounts basis increased by 13 per cent between 1965 and 1966, to a level of $602 million, but dropped sharply to $349 million in 1967. Net new issues of municipal direct and guaranteed bonds rose from $263 million in 1965 to $506 million in 1966 and to $603 million in 1967.

SOURCE AND DISPOSITION OF SAVING

Total domestic investment in 1967, including that in inventories (on a national accounts basis), was $12,526 million, $667 million below the level recorded in the previous year. This change was mainly due to a substantial decline in the addition to inventories. On the side of the saving required to finance this investment, most of the decline took place in net borrowing from abroad; there was also a decline in the government sector surplus. Business gross saving rose fractionally, as a decline in corporate undistributed profits was slightly more than offset by a rise in capital consumption allowances and small valuation adjustments.

This levelling-off in gross business saving (shown in table 14) after a period of year-to-year growth reflected the reduction of profits before taxes and before dividends, which had occurred as a result of the 1967 slowdown, and the continued rise in costs. Developments in the first half of 1968 reflect some increase in business gross saving, little change in the government sector surplus (including the Canada and Quebec pension plans), and a further fall in the use of foreign saving as measured by the current account deficit; however, these changes virtually cancel out, and total saving shows little movement from 1967 levels.

TABLE 14
SOURCE AND DISPOSITION OF SAVING
1965 to 1968

	1965	1966	1967	1968[1]
	(Millions of dollars)			
Source:				
Personal net saving	3,088	3,731	3,995	3,876
Business gross saving, total	7,504	7,987	8,051	8,362
Undistributed corporation profits	1,354	1,149	1,073	1,172
Capital consumption allowances and miscellaneous valuation adjustment	6,110	6,623	7,000	7,354
Adjustment on grain transactions	−44	156	−87	−222
Capital assistance from governments	84	59	65	58
Inventory valuation adjustment	−325	−321	−291	−254
Government sector suplus(+) or deficit(−)	325	348	157	208
Federal	625	164	−256	−522
Provincial and Municipal	−300	−535	−473	−260
Canada and Quebec Pension Plans	—	719	886	990
Deficit on current account with non-residents	1,135	1,207	549	38
Residual error	−64	241	65	184
Total	11,663	13,193	12,526	12,414
Disposition:				
Business gross fixed capital formation	10,651	12,493	12,365	12,514
Value of physical change in inventories	948	940	225	80
Residual error	64	−240	−64	−180
Total	11,663	13,193	12,526	12,414

[1]First half year, seasonally adjusted at annual rates.
SOURCE: DBS *The National Accounts.*

TABLE 15
STRUCTURAL CHANGES IN SAVING

—	1965	1966	1967	1967[1]				1968[1]	
				1Q	2Q	3Q	4Q	1Q	2Q
Per cent of total saving supplied by:									
Business saving.....	64.3	60.5	64.3	60.6	64.9	63.2	69.1	67.2	67.6
Foreign saving[2].....	9.7	9.2	4.4	4.7	5.4	5.8	1.3	2.5	−1.9
Government saving[3]...	2.8	2.6	1.3	6.3	−4.6	3.6	−0.5	5.9	−2.5
All other saving[4].....	23.2	27.7	30.0	28.4	34.3	27.4	30.1	24.4	36.8
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1]Quarterly figures are seasonally adjusted at annual rates.
[2]Deficit on the current account of the balance of payments (minus indicates surplus).
[3]Minus indicates deficit.
[4]Includes personal saving and miscellaneous items.
SOURCE: DBS *The National Accounts*, 1967 and second quarter 1968.

Personal saving, which includes household saving, the saving of unincorporated business and saving in the agricultural sector, did not increase as rapidly in 1967 as they had in 1966, and fell slightly in the first half of 1968. The main reasons for this change are that because of a substantial increase in total disposable income, households have been increasing purchases of durable goods, particularly cars, and, in addition, they have maintained normal growth in real expenditures on non-durable goods and services at a time when prices have been increasing rapidly. While the income of unincorporated business enterprises has continued to rise, this has been more than offset by the decline in accrued farm income, the latter resulting from a return to an average harvest in 1967 after the record of 1966.

The disposition of saving in 1967 showed declines in both gross fixed capital formation and additions to inventories. It may be noted from table 15 that the decline in the use of foreign saving is in keeping with the experience of recent years, whereby a greater proportion of investment has been met, on a net basis, from Canadian saving. It should be noted that these tables portray the net position only, and do not record the gross international flows of capital funds, which are substantial, nor do these tables portray the flows of funds as between the domestic sectors of the economy.

With these qualifications in mind, the tables illustrate that over the past two years most of the saving generated by Canadians has arisen from the personal and business sectors. The transactions of all governments, including the Canada and Quebec pension plans, have, in total, shown a modest surplus. This modest government surplus does not take into account the substantial investments made by government business enterprises, so that governments have made extensive use of capital markets, as discussed on a later page. Business, also, has contined to make extensive use of the financial markets.

Table 15 shows the proportions of total saving supplied by the business sector, other Canadian sources, and from abroad. Gross saving by business enterprises in 1967 accounted for 64.3 per cent of their capital spending. Given the quicker pace of economic activity this year, the saving of business corporations is now showing a definite increase which will facilitate the financing of their planned investments.

FINANCIAL DEVELOPMENTS

The sharp rise in interest rates in Canada last winter, with some subsequent moderating tendencies, occurred in an environment in which international financial tensions have been an important element. Canadian economic growth in 1967, as these pages have shown, was marked by a transition from the very fast pace of 1965–66 and resulting price and cost pressures, to a slower and more sustainable rate of growth. However, during much of 1967, while inflationary forces were still strong, and investors were taking a view that the adjustment in North America would not be protracted, interest rates began to rise noticeably from the spring of 1967. Strength in Canadian reserves of gold and foreign exchange during mid-1967 permitted the narrowing of the Canada–U.S. interest rate differential during the summer, and this reduced the upward pressure on the external value of the dollar and Canadian reserves.

Concern about inflationary trends on the part of investors intensified as 1967 progressed, and was reflected in a preference for liquid short-term assets such as bank term deposits, in contrast to such longer-term instruments as bonds, and also in a preference for equity investments in real estate and in Canadian and U.S. corporations. This investors' search for liquidity was aided by the more aggressive competition for deposits among chartered banks, trust and mortgage loan companies and other deposit institutions following the coming into effect of the new Bank Act in May, 1967.

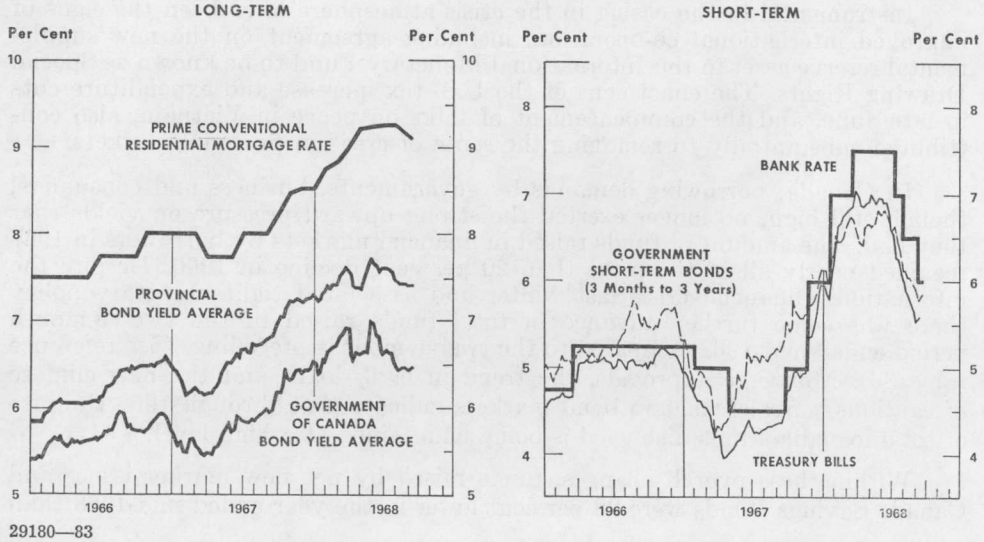
In an environment of tightening U.S. credit conditions and general inflationary expectations, the Canadian bank rate was raised by one half per cent to five per cent in early fall 1967, and Canadian banks started to experience difficulty in meeting the credit demands of their customers without running down their liquidity. About this time, Canadian long-term bond yields moved decisively above previous peaks.

CHART 16

SELECTED INTEREST RATES, CANADA

1966 – 1968

By Months



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Following the Middle East crisis in June 1967, the intermittent pressures on the pound sterling became more persistent and, despite international support operations, eventually became overwhelming. The 14.3 per cent devaluation of the pound sterling on November 18 was accompanied by bank rate increases in many countries, including a further one per cent increase to six per cent in Canada. By the end of the year Canada–U.S. yield spreads were widening significantly.

Early in 1968 a combination of factors, including concern about the international monetary system, some pessimism about Canada's competitive position in international markets and the effects of new U.S. restrictions on business investment abroad gave rise to a severe speculative run on the Canadian dollar. In defence, the Bank rate was raised to seven per cent in January and an extensive network of international standby credits and support was arranged. In addition, the liquidity of Canadian chartered banks was further reduced, and they co-operated successfully to aid the short-term flows position in the balance of payments capital account. In March, in return for complete exemption from U.S. balance of payments programmes affecting capital flows into Canada, the Government of Canada undertook to take any steps necessary to ensure that the exemption from the U.S. programme would not result in Canada's being used as a "pass-through" by which the purpose of the U.S. balance of payments programme would be frustrated. The Canadian government has since introduced guidelines for this purpose for banks, other Canadian financial institutions, and non-financial corporations. Fiscal measures of restraint secured passage through Parliament in mid-March. During the unstable period immediately prior to the establishment on March 17 of the new two-price system for gold, both the U.S. and Canadian monetary authorities raised central bank rates by a further one-half per cent. In the exchange market the tide turned in mid-March, and the task of rebuilding Canada's foreign exchange reserves began. This included borrowing by the Government of Canada in Europe.

By late May the renewed strength of the Canadian dollar was evident. The Government of Canada long-term bond yield average has since fallen from a historic peak of seven per cent and other rates have also fallen. The Bank rate has been cut three times, and is now six per cent.

Instrumental in the easing in the crisis atmosphere have been the signs of improved international co-operation, including agreement on the new supplemental reserve asset in the International Monetary Fund to be known as Special Drawing Rights. The enactment of the U.S. tax increase and expenditure cuts in late June, and the commencement of talks on peace in Vietnam, also contributed substantially to removing the sense of crisis in financial markets.

In Canada, borrowing demands by governments, business and consumers, though still high, no longer exerted the strong upward pressure on yields that they had. The amount of funds raised in financial markets by borrowers in 1967 regained nearly all of the more than 20 per cent decline in 1966. Despite the international financial crisis last winter and associated tight monetary policy there was some further advance in total funds raised in the twelve-month period ended mid-1968 compared to the twelve months preceding. (See reference table 36). Mortgage approvals, the trend in bank loans and the new climate of cautious convalescence in bond markets indicate that through 1968 the rate of total loanable funds disbursed is being maintained at a high level.

Within these overall changes, funds raised by net new market issues and Canada Savings Bonds were 28 per cent lower in the year ended mid-1968 than

in the preceding twelve months. On the other hand, bank loan growth accelerated from seven per cent in 1966 to over 14 per cent in 1967 and early 1968 before flattening out more recently. Private sector institutional mortgage loan disbursements, which dropped drastically in 1966, advanced in momentum after mid-1967 and have continued to increase.

The Effect of Financial Developments Abroad

During most of 1967 the main effect in Canada of international developments was on interest rates, which moved up quite sharply as part of a general, almost worldwide, trend. The Canadian dollar tended to be strong, generally fluctuating in a range above its U.S. $.925 parity value. During the period of upheaval following the sterling devaluation in November, some of this strength was eroded and the dollar moved closer to its parity value, where it stabilized until year end.

The January 1, 1968 announcement of the new U.S. balance of payments programme gave rise to widespread concern about its possible impact on the Canadian economy. The resultant pressure on the Canadian dollar caused a rapid drop in the exchange value to the bottom of the one per cent range on either side of parity value which is consequent upon Canada's membership in the International Monetary Fund (Chart 18). This was accompanied by unusually heavy losses of foreign exchange by the Exchange Fund Account as it purchased Canadian dollars in the market. These pressures continued with varying intensity throughout most of the first quarter and were particularly strong and persistent from the middle of February onward.

As a result of a number of developments discussed below, a turnaround occurred in late March; the situation then reversed itself so completely that the Canadian dollar rose quickly to a value well above parity, and the Exchange Fund Account has recouped its earlier exchange losses. The following table shows the effect on the overall exchange reserve position.

	December 1967	March 1968	June 1968	September 1968
	(Millions of U.S. dollars at month end)			
Official holdings of gold and U.S. dollars	2,267.8	2,244.0	2,574.0	2,534.1
IMF creditor (+) or debtor (−) position	248.4	−185.0	−64.0	0.9
Federal Reserve swaps outstanding	—	−250.0	−125.0	—
Net Total	2,516.2	1,809.0	2,385.0	2,535.0

Heavy exchange losses occurred towards the middle of January, causing a number of defensive measures to be taken to restore confidence. On January 21, the U.S. Secretary of the Treasury issued a statement that the new U.S. balance of payments programme had not been intended to cause abnormal transfers of funds from Canada to the United States, and that it did in fact provide scope for continued large flows of capital from the United States to Canada. Almost simultaneously the Bank of Canada raised the bank rate from six to seven per cent, and announced that the chartered banks had agreed to discourage the use of bank credit by Canadian subsidiaries for the purpose of facilitating abnormal transfers of funds abroad or meeting financing requirements which in the past had normally been met by the parent companies. Although these measures

reduced the speculation against the dollar the loss of reserves continued, and during January the loss amounted to U.S. $348 million. This loss was largely offset by a U.S. $250 million drawing by the Bank of Canada on the Federal Reserve System under a reciprocal currency facility.

Towards the middle of February heavy speculative pressures were renewed, and at month end a U.S. $426 million drawing by Canada on the IMF was announced. This drawing consisted of U.S. $241 million representing Canada's creditor position in the IMF and of a U.S. $185 million gold tranche drawing. It was made to illustrate the extent of the additional resources, over and above the foreign exchange reserves, available to maintain the existing parity value of the Canadian dollar, and to reconstitute the liquidity of the Exchange Fund. Month end reserve figures showed an increase in official holdings of gold and U.S. dollars of $315 million, after giving effect to the IMF transaction, thus indicating a loss of reserves during the month of $111 million.

Uneasiness continued to prevail in the market. On March 4 the Governor of the Bank of Canada requested banks and other financial intermediaries for the time being not to facilitate swapped deposit transactions, and the Minister of Finance issued a similar request to Canadian investors not to initiate such transactions. Swapped deposits come about when a Canadian investor deposits Canadian funds with a financial intermediary to be converted into a foreign currency and placed on deposit in that currency, with the intermediary undertaking through a forward contract to convert the foreign currency proceeds back into Canadian dollars at maturity. The Canadian investor then receives the interest earned on the foreign currency deposit plus the amount of the discount on the forward Canadian dollar or less the amount of the premium as the case may be.

Between mid-1967 and the end of February 1968 the total of swapped deposits outstanding had almost doubled, to a level of approximately $900 million, thus giving rise to a large capital outflow from Canada. Under the circumstances prevailing in early March, it was considered desirable to ensure that further outflows of this nature should not take place, and to attempt to repatriate some of the funds already outstanding. The March 4 requests concerning swapped deposits were withdrawn on June 12, by which time the total of swapped deposits outstanding had fallen steadily to about $350 million.

On March 7 an exchange of letters was published between the U.S. Secretary of the Treasury and the Minister of Finance, stating that Canada would be exempt from the balance of payments programmes affecting capital flows administered by the U.S. Department of Commerce and the Federal Reserve System. This move made clear that Canada's position would not be weakened by the features of the January 1 programme which had contributed to the concern about its effect on the Canadian economy. In return, the Canadian government undertook to invest a major portion of its U.S. dollar assets in U.S. Government securities which would not constitute a liquid claim on the United States, and further undertook to take any steps necessary to ensure that Canada would not be used as a pass-through to circumvent the U.S. balance of payments programme. To carry out this second undertaking, the Government has since introduced guidelines for banks, non-bank financial institutions and non-financial corporations.

Also on March 7, the Minister of Finance announced that arrangements had been made for $900 million of stand-by credits to support the Canadian dollar. These consisted of certain central bank arrangements and a $500 million line of credit with the U.S. Export-Import Bank, which were never used.

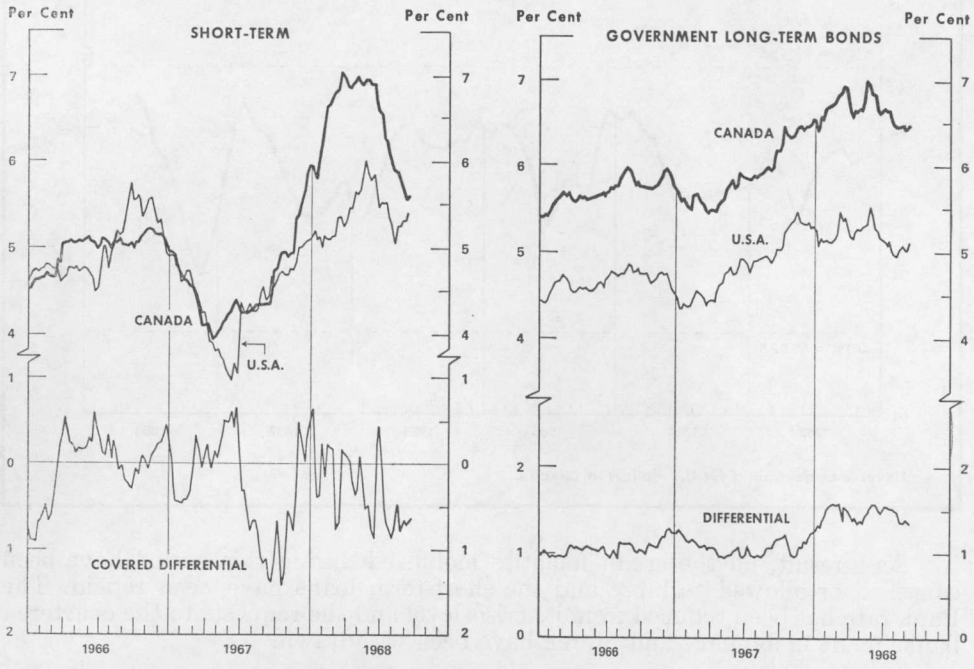
During the first two weeks of March, general concern about the stability of the international monetary system reached crisis levels and was reflected in a renewed flight from currencies into gold. The massive proportions of this flight led to the termination of the Gold Pool arrangements on March 17. In the wake of the Gold Pool announcement the Bank of Canada raised its Bank rate by one-half of one per cent to 7½ per cent, at the same time that the U.S. authorities increased the Federal Reserve discount rate to 5 per cent. The Bank of Canada also announced an increase in its reciprocal currency facility with the Federal Reserve System by $250 million to $1 billion.

CHART 17

INTERNATIONAL INTEREST RATE COMPARISONS

1966 – 1968

By Months



The crisis conditions of early March in the international financial system were such that the measures announced in Ottawa on March 7 were insufficient by themselves to restore confidence in the Canadian dollar. Following the mid-month developments, however, and the passage by Parliament of new tax legislation, relative calm returned to the Canadian exchange market. A moderate build-up of reserves commenced during the second half of March, although this was not immediately sufficient to offset earlier losses, as indicated by the fact that the overall March decline in official holdings of gold and U.S. dollars amounted to $246 million.

Since March, confidence in the international system has been restored to a marked degree. The general atmosphere in the system improved partly as a result of the Stockholm agreement late in March on the final details of the Special Drawing Rights proposals. It also benefitted from the evidence, as the

two-tier gold market became operational, that gold in the free market would demand only a limited premium over the official $35 price. In this new climate of confidence, Canada's exemption from the January 1 U.S. balance of payments programme has had its intended effect. The improvement in Canada's position has been given further impetus by the normal seasonal improvement in the balance of international payments and by a strong export performance.

CHART 18

CANADIAN DOLLAR IN UNITED STATES FUNDS*

1963 – 1968

AVERAGE NOON RATES

U.S. CENTS PER UNIT

*Inverse of quotations for U.S. dollars in Canada.

As a result, all the credit facilities mobilized during this period have been cancelled or allowed to lapse and the short-term loans have been repaid. The Bank rate has been reduced from its crisis level and the requests to the chartered banks made in January and March have been withdrawn.

Bond Market Financing

In the twelve-month period ending July 1968, net new issues of bonds by all Canadian debtors in domestic and foreign markets, at $2.7 billion, were running about $1 billion or 28 per cent below the very heavy issue rate of $3.8 billion in the preceding twelve months. Heavy capital market borrowing, especially by governments, from late 1966 through 1967 was a major source of upward pressure on interest rates, reinforcing the rise due to inflationary expectations and international tensions. Details of changes in market bonds outstanding over the years 1963 to 1968 are shown in reference table 37.

The flow of fund changes in the bond market during last fall and winter were substantial. In the year ending mid-1968, the $675 million increase in non-bank resident holdings of market bonds and Canada Savings Bonds con-

trasts with the $1,500–1,900 million increases observed throughout earlier years of the decade. Half of this change was attributable to non-bank resident holders of marketable bonds, and the other half to the $500 million turnaround in CSB flows from the $200–500 million increases of earlier years to the $169 million decrease in the twelve months ended mid-1968. The net increase in the Canadian banking system's holdings, at $574 million for the whole period, was about midway in the prior years' range from net reductions in some years to increases of over $1,200 million in years such as 1967. Partially offsetting these factors was the fact that Canadian placements abroad—in the United States, and for the first time in decades on a significant scale in Europe—were about double the $600–800 million range of earlier years in this decade.

The 1967 shifts in financial investment patterns on a calendar year basis were thus severe in comparison with average flows earlier in the decade; however, a comparison of the twelve-month period ending July 1968 shows an even more pronounced shift. In the latter period, investment shifts by three key investor groups lay behind the $1 billion reduction in the net flow of funds into bonds. The increase in Canadian banking system bond holdings of $574 million was about $500 million less than its $1,124 million increase in the previous twelve-month period ended July 1967. Similarly, the decreases in growth in non-bank resident holdings of marketable bonds and Canada Savings Bonds amounted to $1,250 million. Partially offsetting these slower flows was an increase in the annual flow of funds into Canadian foreign-pay bond issues of over $700 million. The net effect of the changes in holdings of these three investor groups was a slowdown of more than $1 billion in the flows of funds into Canadian governments and business issues. By contrast, the supply of credit for consumer purchases and mortgages has been well maintained although the cost of such credit has risen markedly.

The return to slower growth in the flow of funds into Canadian bonds occurred during the international crisis in financial confidence last winter and the associated tightening in monetary policy in the United States, Canada and elsewhere. The speculative run on the Canadian dollar which developed in the foreign exchange market in the first quarter of 1968 made it necessary to give top priority to checking the speculative outflow of capital and, once the tide had turned in mid-March, to rebuilding Canada's foreign exchange reserves. Achievement of these objectives involved a widening of the spread of Canadian interest rates over U.S. rates which themselves were rising sharply.

In recent months access to bond markets has improved, interest rates have eased somewhat, and market bond holdings by the banking system and other residents have increased, while foreign holdings of Canadian bonds have risen further. Canada Savings Bond holders since mid-1968 have continued to switch into bank and non-bank term instruments, corporate and other bonds, and equities. However, the monthly rate of net decline in CSBs outstanding has fallen from the June peak of $159 million to a rate well below the $89 million average monthly decline experienced in the first seven months of calendar 1968.

Mortgage Market Financing

One of the economic highlights in the past eighteen months has been the recovery in house building activity, shown in Chart 19. Loan approvals by institutional lenders, which lead actual loan disbursements by several months, had declined from a $3 billion rate in 1965 to little over $2 billion in 1966, but in 1967 they rose by 30 per cent to reach $2.8 billion. Total public and private mortgage loan approvals in the twelve months ended June 1968 were running

slightly below the $2.8 billion level, reflecting some downturn in approvals since the turn of this year (see reference table 39). There are three fundamental reasons for this overall improvement. Firstly, business investment has not been claiming as big a share of gross national expenditure since 1966. Secondly, the Government of Canada has by changing the interest rate formula in respect of NHA mortgages provided for a wider spread for mortgage yields over competing instruments. Thirdly, the flow of private sector funds into mortgages has been very significantly augmented by the re-entry of the banks into mortgage lending following the Bank Act changes in 1967.

Total private conventional and NHA loan approvals rose about $600 million in the twelve-month period ended June 1968. This increase was shared equally between banks and non-bank financial institutions. Direct loan commitments by Central Mortgage and Housing Corporation fell $464 million, from $910 million to $446 million, in the year ended June 1968, with a decline in the flow of public funds into private housing being partly offset by increased CMHC outlays for public and low-income housing.

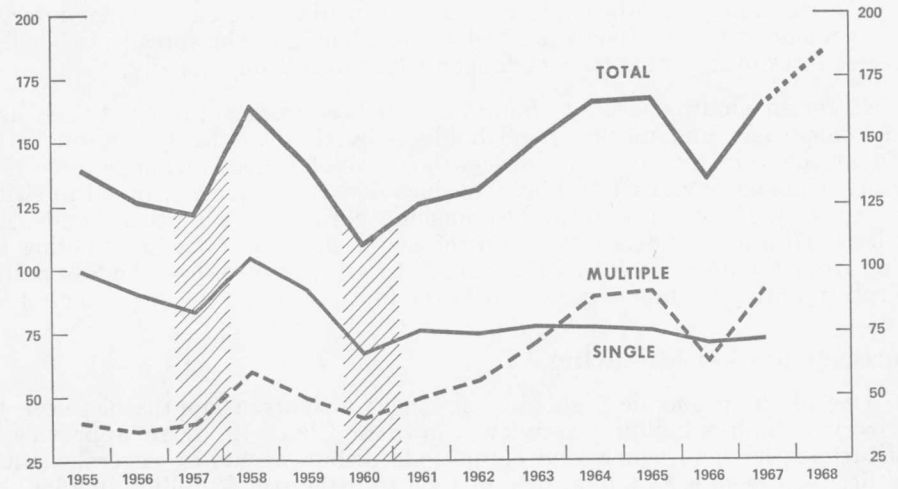
In the past year or so there has also been a significant increase in new residential construction financed by means other than institutional mortgages or public financing. These other means include mortgage loans from Caisses Populaires, credit unions and private individuals, as well as construction undertaken without recourse to mortgage loans. There seems to have been an increase in funds channelled into the mortgage market from sources other than trust, life and mortgage loan companies and banks.

CHART 19

HOUSING STARTS

1955 – 1968

(Thousands of Units)



The general improvement in the flow of funds into mortgages has occurred in circumstances of severe tightness of credit conditions generally during much of the period under review. In the past the bank interest ceiling and other restrictions faced by financial institutions in attracting funds, by limiting their ability to raise deposit and lending rates fully in line with other market interest rates, had contributed to the sharp curtailment of the availability of mortgage loans. In the past year and a half there has been increased reliance on interest rates in the determination of mortgage investment, and less reliance than formerly on various rationing devices employed by the private sector. Mortgage interest rates have increased sharply. Average rates on prime residential conventional mortgage loans rose from about eight per cent at the beginning of 1967 to over nine per cent by the spring of 1968. Actual NHA interest rates, as distinct from the maximum or ceiling rate, similarly increased from 7¼ per cent to a peak of nearly 9 per cent. Like rates on other instruments, mortgage interest rates have come down somewhat in recent months.

To encourage a larger and relatively more stable flow of private funds into the mortgage market, the maximum interest rate on NHA insured mortgage loans was fixed at 7¼ per cent in November 1966, with the provision that beginning in 1967 this rate was to be adjusted automatically at the end of each calendar quarter to a level of 1½ per cent above the average yield on long-term Government of Canada bonds. This move to a flexible NHA rate related to market conditions had significant effects on the flow of institutional funds into NHA mortgages in early 1967 but provided little stimulus to investment in NHA mortgages in the second and third calendar quarters of that year. In view of the large financial resources already committed by the Government of Canada for housing and other areas, and a need to conserve government funds to a greater extent for low-income housing, the government took further action in September to stimulate the flow of private mortgage money. The quarterly adjustment formula was altered to establish the maximum NHA rate at a level of 2¼ per cent above the long-term Government of Canada bond average, the widest spread permitted by the National Housing Act, with the intention of allowing the actual rate to be set by market forces within this limit. Following this action the spread not only between NHA mortgages and competing bonds, but also for conventional mortgages, widened, and this has provided a stimulus to mortgage investment by lending institutions. In 1967, the setting of the rate of interest on home improvement loans which are made by the banks and guaranteed by the government, was brought under the same formula.

The National Housing Act was amended in March 1968 to increase the ratio for home-ownership loans on new housing from 95 per cent of the first $13,000 of lending value and 70 per cent of the balance, to 95 per cent of the first $18,000 and 70 per cent of the balance, thereby reducing the down payment required. No changes were made in the $18,000 per unit maximum. In February, the NHA loan regulations had been amended to raise the maximum loan for apartment units from $12,000 to $18,000. The regulations were also changed to permit the lender, where a rental loan is made to a corporate borrower, to increase the period of the lock-in from the previous maximum of ten years to a new, higher lock-in that may extend to within ten years of the term of the loan.

Consumer Finance

The rate of growth of consumer credit balances outstanding quickened in the past eighteen months, although it did not reach the pace of earlier years of the decade. The annual increase, which had been 8.3 per cent in 1966, was

10.9 per cent in 1967 and 11.9 per cent in the twelve months ended May 1968. From 1962 to 1965 the annual growth rates in consumer credit had been 12.5 per cent to 16.4 per cent. The increased tempo in the past year was associated primarily with increasing expenditure on consumer durables, generally bought "on time".

As indicated in reference table 40, the banks and consumer loan companies experienced faster-than-average growth in consumer loans in the period from May, 1967 to May, 1968. Policy loans of life insurance companies continued to expand rapidly.

During 1967 federal and provincial legislation came into effect requiring disclosure on a consistent basis of the overall costs of credit extended to personal borrowers. The parallel provisions of the Bank Act, which came into effect in October, 1967, cover all personal loans to $25,000.

Business Finance

Investment in physical plant and equipment by the corporate sector reached a peak in 1966 and, as noted earlier, declined moderately during 1967; it has begun to recover in 1968. Corporations used both their own accumulated liquid resources and the bond markets to finance the 1963–1966 expansion, with the customary use of short-term sources to facilitate inventory accumulation and the orderly financing of investment programmes. Budgetary measures affecting the liquidity of corporations in the spring of 1966, the development of credit stringency throughout North America in the latter part of that year, and conditions in the bond market led to greatly increased reliance on shorter-term financing, while internal liquidity declined. (These trends are summarized in reference table 41). By the end of 1966 the ruling uncertainties in the financial markets had brought about a mood of caution in the corporate sector, and financial planning was concerned with the need to rebuild corporate liquidity as rapidly as conditions would permit.

Internal sources of funds since early 1967 have displayed an overall flat trend. Retained profits, after taxes and dividends, fell in 1966, but a lack of growth in dividend payments since that time permitted much of the lost ground to be made up during 1967 and 1968. Meanwhile, as a reflection of the substantial additions to physical capital of recent years, reserves for depreciation have been advancing steadily. The net effect of these developments has been, as noted, modest change in the level of internally-generated funds over the past eighteen months.

As investment outlays fell off, the need for external financing to make up the shortfall between internal funds and capital expenditures became less pressing. However, the external financing carried out between early 1967 and early 1968 remained much higher, both absolutely and relative to earlier financing, than that prevailing throughout the period subsequent to the resources boom of the mid-fifties. This partly reflected the fact that the post-boom decline in actual expenditures in 1967 was marginal, whereas after 1958 it was substantial and prolonged. However, it also reflected concern over the need to rebuild liquidity with all reasonable speed.

Accordingly, corporate sector financing remained active in 1967 and 1968, although the volume fell for a while and the structure of the new liabilities issued was dictated to some extent by market conditions. Thus, long-term

business borrowing through net new bond and stock issues was 24 per cent below 1966 levels last year, but in the twelve month period ended mid-1968 it was four per cent above the comparable preceding period.

Bank loans and certain other short-term business borrowings, which fell markedly in 1966, have since recovered somewhat the distance lost, despite the slower pace of inventory accumulation, which is financed by short-term debt. The pickup in short-term business debt reflected postponement of bond issues in the past year in expectation of eventually lower interest rates. Short-term borrowings also helped to finance businesses' increased preference for rebuilding liquid asset portfolios. Conditions may also have faced businesses with receivables which were not declining as fast as payables, and, therefore, with further increases in net receivables to be financed.

Federal Government Debt Operations

The general environment and special circumstances which affected federal government debt management policies and operations during fiscal year 1967–68 and the early months of the current fiscal year have been described earlier. At the time of the budget in June 1967, cash requirements of the federal government in the fiscal year 1967–68 were estimated at $1.6 billion compared with actual requirements of $530 million in the previous fiscal year. In the first nine months of the 1967–68 fiscal year, the federal government raised over $650 million in new cash through the issue of marketable securities in the Canadian capital market, while refunding maturing issues which totalled $1.5 billion. During the same period net sales of CSBs totalled $283 million. These relatively heavy demands were made on the capital markets during a period of generally rising interest rates and when demands on the capital markets by other governments and industry were also very large. The government's concern about the disturbing strains on the capital markets and the measures proposed to alleviate the situation were outlined in the budget speech of November 30, 1967. In presenting the tax and fiscal measures the Minister of Finance repeated that the government would hold its overall net cash requirements and its consequent demands on the capital market to less than $750 million in the next fiscal year, apart from unforeseen changes in exchange reserves.

The speculative pressure on the Canadian dollar during the last quarter of the 1967–68 fiscal year, with the accompanying heavy losses of foreign exchange provided substantial cash receipts, amounting to $770 million in the three month period. This special development made it possible for the government to finance its requirements during the remainder of the fiscal year with little additional borrowing from the capital market during this very unsettled period. During the fiscal year as a whole, net borrowing in Canada by the federal government through marketable securities amounted to $725 million, and net sales of Canada Savings Bonds amounted to $80 million. Government net cash requirements totalled only $485 million, and cash balances at the end of the fiscal year were at the relatively high level of $997 million.

In the early months of the current fiscal year two factors had considerable influence on government cash requirements and debt operations. In the first place, the rebuilding of the foreign exchange position, as confidence in the Canadian dollar was restored, involved large cash outlays of Canadian dollars. Secondly, the sharp rise which had occurred in interest rates and their subsequent maintenance at relatively high levels to facilitate the reconstitution of foreign exchange reserves presented holders of Canada Savings Bonds with investment alternatives at significantly higher interest yields. The abnormally high redemp-

tion of savings bonds which took place in these circumstances was financed from government cash resources. These special factors, in addition to the normal requirements of government, produced heavy cash requirements in the early months of the current fiscal year. Notwithstanding the relatively high level of cash balances at the beginning of the year, it was therefore necessary to resume borrowings in the capital market. In the first four months, up to the end of July, net new issues of marketable securities in Canada totalled $349 million, during which period the level of outstanding CSBs declined by $408 million. The financing of exchange transactions during the four-month period totalled $551 million, including foreign borrowing. These developments are summarized in table 16.

The federal government in the conduct of its debt operations was faced with generally rising interest rates for most of the period under review. During the second quarter of 1968 some Canadian interest rates reached their highest levels in a century. Government bonds, like other fixed income securities, were generally more difficult to sell during the period under review, in spite of more attractive terms and conditions. As illustrated in the schedule of details of debt operations (reference table 42), both coupons and prices on new bonds were made progressively more attractive to buyers while the terms to maturity were shortened. The following paragraphs trace the main features of the Government's debt management program through 1967 and up to the beginning of August, 1968.

As the first quarter of 1967 began it appeared that interest rates had peaked in late 1966 and that the economies of both the United States and Canada were experiencing moderating demand pressures. Long and short term rates fell dramatically and the Bank rate was reduced in two stages from 5¼ per cent to 4½ per cent by April 7. The Bank of Canada, to avoid an excessive tightening of credit conditions for both domestic and external reasons, had since mid-1966 permitted a rapid expansion of the money supply which was reflected in a sharp increase in the liquidity of the chartered banks in the first part of 1967. During this time the government placed three issues with the market, raising $217 million in new cash, and refunded out of cash balances CNR bonds totalling $122 million. On February 1, 1967 there was a special issue of 303-day Treasury bills for $100 million. By April, however, the bond market had become less optimistic and the government was faced with high and rising interest rates over most of the remaining period.

In view of the heavy cash requirements and the relatively few opportunities available to raise new money as a result of the large refundings due during 1967, the government placed a $175 million cash issue on August 1. In the face of a much deteriorated market the offering was restricted to the short and medium terms, with the mid-term bond priced to yield over six per cent. By October yields had risen further, and dealer expectations in both Canada and the United States were for continued upward pressure on interest rates. The October 1 issue refunded the large amount maturing on that date and, once again, the terms to maturity of the three-tranche issue were shortened. By year-end most interest rates had passed the peaks reached in 1966 and the Bank rate had been raised, in two stages, to six per cent. In view of the large amount of bonds taken up by the banking system in 1967, the December 1 refunding was designed in particular to attract other investors, by the issue of only a 6-year 6¼ per cent bond. With this issue the government raised net proceeds of $120 million. Also on December 1 there was a 364-day Treasury bill issue of $125 million to refund the special February issue and raise $25 million new cash.

TABLE 16

GOVERNMENT OF CANADA CASH REQUIREMENTS AND SOURCES OF FINANCING

(by fiscal years)

	1966-67	1967-68			1968-69
		First 9 Months	Last 3 Months	Total	First 5 Months
	(Millions of dollars)				
Cash Requirements					
Budgetary	422	114	679	792	−17
Non-budgetary excluding all foreign exchange transactions	341	1,048	−442	607	540
Sub-Total	763	1,162	237	1,399	523
Foreign exchange transactions cash requirements (+) or receipts (−)	−232	−42	−770	−812	608
Overall cash requirements	531	1,120	−533	587	1,131
Sources of Finance					
Market bonds[1]					
Gross New Issues	1,500	1,785	450	2,235	1,529
Retirements	−1,231	−1,485	−400	−1,885	−780
Net	269	300	50	350	749
(of which foreign pay[2])	(−6)	(-205)	(−)	(−205)	(254)
Treasury bills	160	145	25	170	330
Canada Savings Bonds	283	283	−203	80	−477
Non-marketable and other[3]	−1	244	−56	188	−84
Total	711	972	−184	788	518
Changes in Receiver General bank balances	180	−148	349	201	−613

[1] CNR included under non-budgetary.

[2] Represents mainly in 1967-68 the cancellation of outstanding US-pay Government of Canada bonds repurchased from U.S. residents; and in 1968-69 the issue of foreign-pay bonds in Germany, Italy and the United States.

[3] Includes UIC and CPP bonds, Securities Investment Account and securities held for retirement of unmatured debt.

In view of the attractive alternatives available to the individual investor in the fall of 1967, the Canada Savings Bond campaign was designed to stem the rate of outstanding CSB redemptions and also to provide new cash. The "double-your-money" feature on Canada Savings Bonds which originated with the Centennial Series was continued in 1967. The 1967–68 series offered the same interest yield to maturity as the 1966 Series, but, to make it more attractive relative to comparable investments, the initial coupon was raised from 5 to 5¼ per cent. Corporations and other businesses, churches, charities and other associations were made eligible to purchase CSBs for the first time and the maximum amount permitted for each purchaser was increased to $50,000.

In the first part of 1968, as in 1967, the Canadian financial markets were heavily influenced by international factors. In addition, as a result of continuing rising costs and prices in Canada and the United States, there remained a strong desire for liquidity on the part of private and corporate investors. In the United States, and to a lesser degree in Canada, credit conditions were tightening

significantly. There was a brief recovery in the bond market in the first two weeks of 1968, but this proved to be only temporary and most interest rates in Canada resumed their climb to unprecedented highs.

At the time of the large January 15 refunding the raising of net new cash was limited to $50 million, in view of market conditions. Short and long term rates rose to new peaks during this period as a result of the monetary stance taken to stem the speculative run on the Canadian dollar. The Bank rate was raised to 7 per cent and then to 7½ per cent by mid-March. The April 1 refunding carried the first 7 per cent coupon on a Government bond since Confederation and, with a five-year term, was priced to yield 7.30 per cent. Even with this high yield, institutional investors were not attracted to the issue, and the tone of the market outlook continued pessimistic.

To reconstitute reserves and broaden the external market for government securities, the federal government in May floated two loans in Europe. This followed the ending of the exchange crisis described earlier. A loan in Italian lire equivalent to Canadian $108 million was placed directly with the Italian Exchange Office and a loan, payable in German marks, equivalent to Canadian $68 million, was sold in the Eurobond market. Finally, a loan for U.S. $100 million, subject to delayed delivery contracts, was issued in the United States in June.

A substantial rally in the Canadian bond market occurred in April as world events appeared to take a more favourable turn. However, this did not last. Higher gold prices, the unfavourable response to the Administration's fiscal bill by U.S. legislators and rising pessimism regarding Vietnam peace talks caused bond prices once again to turn downward. The June 15 refunding was a three-tranche issue, two of which carried 7 per cent coupons. To replenish dwindling government cash balances, this issue raised $105 million in new cash.

In May 1968 the government, in the interest of orderly debt management, offered a Special Replacement Series of Canada Savings Bonds to refund in advance the large outstanding 1959 series of Canada Savings Bonds which were due to mature in November 1968. On January 1, 1968 there were $722 million of these bonds outstanding. Effective March 28, Special Replacement Bonds were offered only to holders of the 1959 series in exchange for their 1959 bonds. Subsequently, beginning May 15, the bonds were also offered to the general public for cash for a short period. The offer was withdrawn on May 23, 1968. The new bonds carried an annual average yield of 6.88 per cent, the most attractive ever offered on a Canada Savings Bond. Like the previous two issues of Canada Savings Bonds, the new bonds also offered compound interest so that the investor could double his money in 10 years and 5 months. The issue was very successful, with sales totalling $850 million, of which $538 million was exchanged; this helped to alleviate somewhat the concern the CSB redemptions were causing the financial markets.

By summer the Canadian bond market had improved considerably in both price and tone and the government was able to replenish declining cash balances. The improvement reflected a similar development in the United States following the passage of the Administration's tax bill. On June 28 the government sold at tender a special 364-day Treasury bill issue which provided $150 million in new money. The August 1 loan stimulated considerable activity in the market. Receipts from the cash offer amounted to $400 million, of which $100 million represented bonds exchanged directly with the Bank of Canada.

The August 1 issue repeated a feature used several times during 1968. The government, by exchanging new bonds directly with the Bank of Canada for bonds in its portfolio maturing later in the year, was able, in effect, to pre-refund these issues. On April 1 $100 million and on June 15 $75 million of bonds maturing in 1968 were cancelled. On the last occasion, August 1, $100 million of bonds maturing in 1968 were not immediately cancelled but were held in the Securities Investment Account. They have since been cancelled.

The Capital Account of the Balance of Payments

Capital flows between Canada and the rest of the world during the past year and a half have been profoundly affected by the significant developments that occurred in the international monetary and exchange-rate field, as well as by the influence of cyclical economic factors upon credit conditions and by the pressure which developed in a number of the world's capital markets as they attempted to reconcile the liquidity requirements of the public and private sectors.

The net saving made available to Canada in 1967 by the rest of the world through the deficit on Canada's current account transactions was, at $543 million, among the lowest in the fifteen consecutive years for which deficits have now been recorded. It also represented a particularly sharp swing from the $1,162 million of the previous year. (A summary and details of capital movements in the balance of international payments are shown in reference tables 43 and 44). The net inflow into Canada resulting from all long-term capital transactions in 1967 was $1,339 million, the second highest level recorded since the second world war.

Over the year as a whole, the net outflow of short-term funds, $778 million, was nearly as large as the surplus of $796 million on current and long-term capital accounts, and only the difference of $18 million accrued to Canada's total of international reserve assets. Less than half ($286 million) of this very large net outflow of short-term funds reflected the switching of bank balances and like interest-arbitrage transactions. Roughly half a billion dollars, in other words, was accounted for by miscellaneous and to some extent unidentified short-term transactions, in which the termination and in some cases reversal of normal inter-corporate financing flows must have played a significant role.

A particularly interesting aspect of this outflow of "short-term" funds is that a majority of it (over $300 million) appears to have occurred in the first quarter of 1967, a period in which interest rates abroad tended to fall faster and further than in Canada, and the movements in bank balances and other interest-sensitive funds were strongly inwards into Canada. Apart from the international de-escalation of interest rates which was in progress, this was a period of comparative calm; neither the U.S. nor the U.K. payments position was giving cause for particular concern, nor was likely to occasion exceptional repatriation of corporate funds at that time. The Canadian dollar was particularly strong in the exchange markets during January 1967 although it weakened moderately thereafter.

The explanation of this substantial movement of non-banking funds therefore seems to be the divergence that was then already developing between the trends in corporate physical investment in Canada and the United States. While the cyclical trend in investment in Canada, as in most components of national expenditure, has normally tended to be quite closely parallel to that in the United States and slightly advanced in timing, 1967 saw an exceptionally

pronounced and prolonged parting of the ways of the two economies. Shifts of working capital from Canadian subsidiaries to U.S. parent corporations would be a very likely consequence of such a development; normally, such capital is in many cases provided continuously by the parent to the subsidiary through the rolling-over of short-term advances.

The effect of this divergence in investment trends is also to be seen, though it is less marked, in the long-term capital account. Net direct investment in Canada by non-residents, though at the historically high level of $620 million, was nevertheless $90 million lower than in 1966. Borrowing through sales abroad of new issues of Canadian securities was also some $165 million lower, though again high in absolute terms ($1,300 million). The fact that the total net inflow of long-term capital was so high, and so much higher than in 1966, was due principally to factors unconnected with either private or public fixed investment during 1967 itself, namely: a much smaller schedule of retirements of earlier borrowings abroad, smaller outflows on portfolio transactions involving the repurchase of Canadian securities and large repayments to Canada of export credits extended in earlier years, particularly on wheat sales to communist countries.

Although net government borrowing abroad rose to an all-time peak in 1967, owing to a record volume of net provincial issues, the increase was offset entirely by a decline in net issues of corporate bonds. (Details of net new issues of bonds and debentures to non-residents are shown in reference table 45). There was also a small decline in net proceeds from stock issues which, together with the reduction in the inflow for direct investment, contributed to a marked contraction in financing by the business sector from abroad. In aggregate, proceeds from new issues placed abroad declined for the first time since 1960, but because there was also a smaller volume of retirements by the federal government (including special repurchases in connection with management of international reserves), net receipts remained virtually unchanged. However, the record volume of offerings in the United States raised the balance remaining for later delivery at the end of the year by some $248 million. Although long-term interest rates in Canada were rising substantially, the differential between Canadian provincial and U.S. long-term corporate rates did not change appreciably. The greater recourse to the U.S. capital market by governments was due as much to the problem of availability of funds in the domestic market, which worsened towards the end of the year, as to the lower cost of borrowing in the United States.

The lower level of net repurchases of outstanding Canadian securities contributed some $200 million to the rise in the total long-term capital inflow. Repurchases of Canadian stocks from non-residents were at the lowest level since 1960, and after the second quarter were exceeded by sales, leading to an inflow of capital in the second half of the year and also, for the first time since 1961, for the year as a whole. Net sales to U.S. residents at $83 million represented a swing of $178 million from the previous year. In total, the reversal from net repurchases to net sales of Canadian stocks was of the order of $148 million, to which was added $48 million as a result of smaller net repurchases of outstanding Canadian bonds, particularly those of the federal government.

The large increase in the inflow resulting from residual long-term capital transactions was largely associated with the sharp decline in wheat exports in 1967. Advances of export credits for wheat fell by $100 million, while repayments rose $66 million. Repayments of credits exceeded advances in every quarter of

TABLE 17

LONG-TERM CAPITAL FLOWS

1965 to 1968

	1965	1966	1967	Change 66 to 67	Jan-June 1968
	(Millions of dollars)				
Net[1] foreign financing by governments:					
Government of Canada	−57	−171	−75	+96	+219
Provincial governments	+266	+383	+699	+316	+381
Municipal governments	+31	+81	+110	+29	+52
Total	+240	+293	+734	+441	+652
Net[1] foreign financing of Canadian enterprises:					
Net issue of bonds	+593	+620	+183	−437	+203
Net issue of stocks	+17	+53	+45	−8	+19
Total securities	+610	+673	+228	−445	+222
Net direct investment in Canada	+535	+710	+620	−90	+195
Total	+1,145	+1,383	+848	−535	+417
Sub-Total: Public and private financing from abroad	+1,385	+1,676	+1,582	−94	+1,069
Net direct investment abroad	−125	−5	−90	−85	−70
Canadian outstanding securities	−219	−240	−44	+196	−15
Foreign securities	−85	−401	−418	−17	−188
Loans and capital subscriptions	−4	−11	−4	+7	−14
Columbia River Treaty, net	+32	+32	+44	+12	—
Export credits, net	−187	−47	+108	+155	+39
Long-term capital, n.i.e.	+67	+57	+161	+104	−29
Sub-Total of above	−521	−615	−243	+372	−277
Total Long-Term Capital	+864	+1,061	+1,339	+278	+792

[1] New issues, less retirements, of securities, plus direct investments.

the year, and the total of net repayments amounted to $128 million. Export credit transactions for other commodities produced a slightly larger capital outflow. Other transactions yielded a capital inflow of $161 million, $104 million higher than in the previous year.

The long-term capital account showed one very clear effect of the pressure against the Canadian dollar and other currencies in the first quarter of 1968: net direct investment in Canada by non-residents fell away to a bare $5 million, and this was wholly accounted for by overseas interests, since there was net disinvestment on the part of U.S. residents. The first quarter is not a seasonally weak period for inward direct investment, which has never been much less than $80 million in that quarter of the last fifteen years, and had averaged about $130 million in 1965, 1966 and 1967. However, in the second quarter of the year the net direct investment flow into Canada amounted to $190 million.

Direct investment abroad by Canadians, on the other hand, was at the record level of $85 million in the first quarter of 1968, and this was not the result of one or a few outstandingly large individual transactions. Clearly, inward flows were delayed or cut as a result of the crisis, and outward flows accelerated or stepped-up. Other elements of the long-term capital account were less disrupted in the early months of 1968: new issues and retirements of Canadian securities both continued at about the (relatively high) levels of the

fourth quarter of 1967; the net outflow resulting from trade in outstanding Canadian securities was again relatively small in the first quarter (by the standards of recent years) as a result of continuing net sales of common and preference stocks; the net outflow for the purchase of foreign securities was also, at $69 million, markedly lower than the $137 million average of the last two quarters of 1967, reflecting the liquidation of the federal government's holding of bonds of the International Bank for Reconstruction and Development. There were further net repayments to Canada of export credits in the first quarter, but a largely offsetting outflow in respect of other residual longer-term transactions.

The large unspecified element in short-term capital flows in 1967 has already been noted. Virtually the whole of the net identified outflow of about $300 million was accounted for by the foreign currency operations of the Canadian chartered banks, as net changes in foreigners' holdings of Canadian dollars and short-term money market instruments were small over the year as a whole. There were net inflows in both of these sectors of the account, however, in the last quarter of the year, as in all recent years except 1965. A seasonal pattern in corporate financing now appears to exert greater influence on these items than interest arbitrage considerations.

Banking flows, on the other hand, responded decisively to the rapid rundown in Eurodollar interest rates in the earlier part of 1967. Foreign currency swapped deposits by Canadian residents, which had already fallen away heavily in the last quarter of 1966, continued to decline through May; and other foreign currency deposits at the chartered banks by Canadians, which had risen enough in the fourth quarter of 1966 to offset most of the decline in swapped deposits, were now also run down in the first and second quarters of the new year. The banks, too, which had considerably increased their own net asset position abroad in the closing months of 1966, ran down this position in the first quarter, and increased it very little again over the second. The net result of these changes for the first half of 1967 was a $285 million decrease in foreign currency assets of Canadians and the net position of the banks, taken together (a net capital inflow into Canada of $376 million by the somewhat broader balance of payments definition). Partly offsetting this, however, was an outflow arising from a decrease of $92 million in the banks' foreign currency assets with Canadian residents.

By the end of the second quarter of 1967, the picture had changed drastically. Eurodollar rates had started to rise again early in May, and were soon followed in Canada by the rate on swapped deposits. At the same time, the money supply as conventionally defined had started a steep rise which was to continue for most of the rest of the year. In part this reflected structural changes resulting from the Bank Act, but in part also the efforts of the monetary authorities to temper the wind of international interest rate movements, as they had done during the rise of mid-1966 and the decline of early 1967. One virtually inevitable result, however, was a swing in banking flows across the exchanges which yielded net outflows of more than $300 million (balance of payments definitions) in both the third and fourth quarters. In the third quarter, swapped deposits were a relatively minor factor in the outflow abroad, which must rather have been fed by the proceeds of new issues of U.S.-pay securities. In the fourth quarter, however, swapped deposits rose by nearly a quarter of a billion dollars and accounted for the majority of the outflow.

By the end of the year, the net foreign currency asset position of the chartered banks with non-residents was approaching $1.3 billion, and it rose by a further $200 million during the first two months of 1968. In early March as

one of a number of measures to strengthen the Canadian dollar (as noted earlier) the banks were requested not to facilitate further swap deposit business, and a fairly rapid run-down of such deposits then began.

A noteworthy feature of the Canadian exchange crisis, however, and of the whole of the first quarter of 1968 in which international monetary conditions were so unsettled, was the relatively slight effect it appears to have had on banking flows across the exchanges, and the modest part these flows played in the total outflow of funds from Canada. The only significant movement revealed by the quarterly figures, as shown in reference table 46, was a $200 million switch of foreign currency assets by the Canadian banks from U.S. to overseas (mainly U.K.) residents. Their net claims on all non-residents rose by only $49 million. Nor is it the case that the quarterly figures conceal particularly large ebbs and flows on a monthly basis. In terms of the balance of payments accounts "bank balances and other short-term funds abroad" showed an outflow of only $126 million, of which only a minor part is accounted for by the banking flows.

The total loss of $621 million in short-term funds during the first quarter (to which, in estimating the dollar effects of the exchange crisis, must be added at least $100 million of delayed inflows and accelerated outflows on long-term capital account) was in largest part accounted for by some $460 million of miscellaneous, and in many cases presumed, short-term transactions, including the balancing item.

Net short-term capital movements in the second quarter of 1968 were very small. Banking data for the period show a fairly substantial continued buildup of both assets and liabilities with non-residents, which involved little net change in the overall position over the period as a whole. During the quarter, however, there was a marked flow into and then again out of Canada as liabilities to Canadian residents in the form of swapped deposits were first run down sharply in accordance with the request made in March, and then up again by some quarter of a billion dollars in June, after the request was withdrawn.

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REFERENCE TABLE 1

MAIN INTERNATIONAL ECONOMIC INDICATORS

1965 to 1967

—	Real Gross National Product			Real Fixed Capital Formation			Exports			Imports		
	1965	1966	1967	1965	1966	1967	1965	1966	1967	1965	1966	1967
	(Per cent change from previous year)											
Canada	**6.9**	**6.5**	**2.8**	**12.1**	**12.9**	**−3.3**	**5.3**	**17.8**	**10.5**	**15.0**	**16.7**	**8.0**
United States	6.1	5.8	2.6	8.8	4.4	−1.0	3.5	10.7	4.2	14.4	19.2	5.4
United Kingdom	2.5[1]	1.5[1]	1.4[1]	3.5	1.1	5.0	7.3	6.9	−2.0	1.2	3.3	6.2
France	4.2	4.9	4.4	−0.4	9.1	5.8	11.8	8.5	4.4	2.7	14.9	4.4
Germany	5.0	2.8	−0.3	6.4	0.4	−7.7	10.4	12.5	8.0	19.6	3.2	−3.7
Italy	3.5	5.5	5.9	−8.4	3.7	7.1	20.6	11.7	8.3	1.5	16.7	13.1
Japan	3.7	10.7	13.1	19.8	9.3	11.0	26.6	15.7	−6.8	2.9	16.6	22.5

—	Industrial Production			Employment			Average Hourly Earnings—Mfg.			Implicit Price Index		
	1965	1966	1967	1965	1966	1967	1965	1966	1967	1965	1966	1967
	(Per cent change from previous year)											
Canada	**8.3**	**7.9**	**2.7**	**3.8**	**4.2**	**3.2**	**4.8**	**5.5**	**7.0**	**3.0**	**4.5**	**4.0**
United States	8.5	8.9	1.1	2.6	2.5	2.0	2.9	4.7	3.6	2.0	2.7	2.9
United Kingdom	3.0	1.1	−1.1	0.8[3]	0.5[3]	−0.1[3]	6.9[2]	6.2[2]	3.3[2]	3.7[1]	3.0[1]	3.6[1]
France	1.6	6.8	2.2	−0.4	—	−0.5	8.0	5.9	6.0	2.5	2.8	2.8
Germany	5.6	1.5	−1.5	0.6[3]	−0.3[3]	−2.9[3]	9.4	7.3	3.9	3.7	3.7	0.7
Italy	4.6	11.6	8.4	−2.4[3]	−1.9[3]	0.3[3]	8.8	3.2	6.2	4.0	2.3	2.7
Japan	3.9	13.1	19.2	3.1[3]	2.1[3]	3.0[3]	8.7[2]	11.6[2]	13.6[2]	5.9	3.9	4.4

[1] Gross domestic product and GDP implicit price index.

[2] Average weekly earnings.

[3] Employment in manufacturing only.

SOURCE: OECD *Economic Surveys*, by country.
OECD *Economic Outlook*.
OECD *Main Economic Indicators*.
DBS *The National Accounts, Income and Expenditure*, Annual, Cat. 13-201.
Japan *Economic Statistics Monthly*.

REFERENCE TABLE 2

NATIONAL INCOME AND GROSS NATIONAL PRODUCT

1966 to 1968

(Seasonally adjusted at annual rates)

—	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)											
Wages, salaries, and supplementary labour income	29,661	32,389	28,548	29,308	29,964	30,824	31,512	32,140	32,772	33,132	33,776	34,740
Military pay and allowances	621	704	684	568	588	644	740	680	692	704	700	648
Corporation profits before taxes	5,145	5,020	5,380	5,236	4,824	5,140	4,796	4,900	5,148	5,236	5,232	5,596
Deduct: Dividends paid to non-residents[1]	−797	−755	−728	−768	−776	−916	−640	−808	−852	−720	−808	−960
Rent, interest, and miscellaneous investment income	3,844	4,339	3,708	3,844	3,832	3,992	4,012	4,360	4,444	4,540	4,572	4,692
Accrued net income of farm operators from farm production[2]	2,204	1,698	2,184	2,244	2,252	2,136	1,996	1,856	1,488	1,452	1,812	1,548
Net income of non-farm unincorporated business[3]	2,949	3,194	2,936	2,852	3,000	3,008	2,948	3,176	3,336	3,316	3,272	3,400
Inventory valuation adjustment	−321	−291	−488	−232	−340	−224	−292	−268	−228	−376	−292	−216
National Income	**43,306**	**46,298**	**42,224**	**43,052**	**43,344**	**44,604**	**45,072**	**46,036**	**46,800**	**47,284**	**48,264**	**49,448**
Indirect taxes less subsidies	7,950	8,705	7,860	7,912	8,180	7,848	8,792	8,688	8,624	8,716	9,240	9,280
Capital consumption allowances and miscellaneous valuation adjustments	6,623	7,000	6,404	6,624	6,696	6,768	7,000	7,176	6,980	6,844	7,288	7,420
Residual error of estimate	241	65	96	280	120	468	−28	172	−32	148	120	248
Gross National Product at Market Prices	**58,120**	**62,068**	**56,584**	**57,868**	**58,340**	**59,688**	**60,836**	**62,072**	**62,372**	**62,992**	**64,912**	**66,396**
(Gross national product at market prices excluding accrued net income of farm operators)	(55,916)	(60,370)	(54,400)	(55,624)	(56,088)	(57,552)	(58,840)	(60,216)	(60,884)	(61,540)	(63,100)	(64,848)

[1] Includes the withholding tax applicable to this item.

[2] Includes an arbitrary smoothing of crop production and seasonal adjustments for withdrawals of grain from farm stocks and the change in livestock items. Because of the arbitrary elements, too precise an interpretation should not be given the seasonally adjusted figures of accrued net income of farm operators.

[3] Includes net income of independent professional practitioners.

SOURCE: DBS *The National Accounts, Income and Expenditure*, Quarterly, Cat. 13-001.

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REFERENCE TABLE 3

CHANGES IN SELECTED COMPONENTS OF NATIONAL INCOME

1966 to 1968

(Seasonally adjusted)

—	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous period)											
Labour income	13.3	9.2	4.3	2.7	2.2	2.9	2.2	2.0	2.0	1.1	1.9	2.9
Total non-farm business income	0.2	1.5	1.2	−2.7	−3.3	4.1	−5.0	4.3	5.1	0.8	−0.6	5.8
Corporation profits before taxes	−1.0	−2.4	1.5	−2.7	−7.9	6.6	−6.7	2.2	5.1	1.7	−0.1	7.0
Net income of non-farm unincorporated business[1]	2.5	8.3	0.5	−2.9	5.2	0.3	−2.0	7.7	5.0	−0.6	−1.3	3.9
Investment income	8.7	12.9	−1.2	3.7	−0.3	4.2	0.5	8.7	1.9	2.2	0.7	2.6
Farm income	34.0	−23.0	25.5	2.7	0.4	−5.2	−6.6	−7.0	−19.8	−2.4	24.8	−14.6
National Income	**11.3**	**6.9**	**4.5**	**2.0**	**0.7**	**2.9**	**1.0**	**2.1**	**1.7**	**1.0**	**2.1**	**2.5**

[1]Includes the withholding tax applicable to this item.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 4

LABOUR INCOME[1], EMPLOYMENT AND AVERAGE INCOME

1966 and 1967

Selected Industries

—	Labour Income		Employment		Average Income per Employee	
	1966	1967	1966	1967	1966	1967
	(Per cent change from previous year)					
Mining	8.7	10.3	2.2	1.5	6.4	8.7
Manufacturing	11.4	6.1	5.4	0.2	5.7	5.9
Construction	24.8	4.0	6.5	−4.2	17.2	8.6
Transportation, communication and water utilities[2]	8.2	12.6	3.1	2.7	4.9	9.6
Trade	11.1	9.7	5.4	2.6	5.4	6.9
Finance, insurance and real estate	8.5	8.5	3.8	6.4	4.5	2.0
Service	13.9	13.0	8.4	7.9	5.1	4.7
Total specified industries[3]	12.3	8.9	5.7	2.7	6.2	6.0

[1] Excludes supplementary labour income.

[2] Includes storage, electric power, gas and water utilities.

[3] Excludes agriculture, fishing and trapping, public administration and defence.

SOURCE: DBS *Estimates of Employees by Province and Industry*, Monthly, Cat. 72-008.
DBS *Estimates of Labour Income*, Monthly, Cat. 72-005.

REFERENCE TABLE 5
CORPORATION PROFITS BEFORE TAXES, BY INDUSTRY
1966 to 1968

(Seasonally adjusted at annual rates)

—	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)											
Mines, quarries and oil wells	570	566	604	624	556	496	560	512	580	612	644	628
Manufacturing industries:												
Food and beverage industries	366	370	396	360	360	348	304	348	420	408	448	424
Rubber industries	34	42	36	32	36	32	32	36	36	64	44	28
Textile industries	65	59	96	56	60	48	48	52	60	76	68	100
Wood industries	128	117	156	140	104	112	124	124	108	112	176	184
Paper and allied industries	188	147	172	220	164	196	172	156	136	124	172	188
Printing, publishing and allied industries	95	117	88	84	100	108	116	112	120	120	120	124
Primary metal industries Metal fabricating industries Machinery industries Transportation equipment industries	700	724	792	720	620	668	664	720	728	784	716	880
Electrical products industries	117	81	120	128	92	128	40	44	104	136	96	76
Non-metallic mineral products industries	89	53	92	88	104	72	64	48	56	44	68	104
Petroleum and coal products industries	164	173	148	180	156	172	172	164	172	184	152	164
Chemical and chemical products industries	231	206	260	232	232	200	212	216	188	208	208	248
Other manufacturing industries[1]	125	125	116	116	120	148	136	116	116	132	132	116
Total, manufacturing industries	2,302	2,214	2,472	2,356	2,148	2,232	2,084	2,136	2,244	2,392	2,400	2,636
Transportation Storage Communication	553	437	508	560	476	668	444	460	412	432	348	424
Electric power, gas and water utilities	94	117	92	92	92	100	140	92	120	116	136	100
Wholesale trade	419	398	480	408	376	412	380	396	400	416	444	432
Retail trade	297	316	332	276	288	292	264	316	388	296	340	312
Finance, insurance and real estate	643	689	616	640	632	684	652	648	732	724	684	820
Service industries	176	203	192	184	160	168	208	248	196	160	160	152
Other non-manufacturing[2]	91	80	84	96	96	88	64	92	76	88	76	92
Total, all industries	**5,145**	**5,020**	**5,380**	**5,236**	**4,824**	**5,140**	**4,796**	**4,900**	**5,148**	**5,236**	**5,232**	**5,596**

[1] Includes tobacco, leather and miscellaneous manufacturing industries.

[2] Includes agriculture, forestry, fishing and construction.

SOURCE: DBS *Corporation Profits*, Quarterly, Cat. 61-003.

REFERENCE TABLE 6
GROSS NATIONAL EXPENDITURE
1966 to 1968
(Seasonally adjusted at annual rates)

—	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)											
Personal expenditure on consumer goods and services	34,848	37,714	33,956	34,116	35,332	35,988	36,444	37,388	38,192	38,832	39,832	40,252
Government expenditure on goods and services	11,286	12,377	10,656	10,964	11,632	11,892	11,860	12,672	12,288	12,688	13,092	13,380
Business gross fixed capital formation[1]	12,493	12,365	11,968	12,572	12,308	13,124	12,972	12,724	11,916	11,848	12,268	12,760
New residential construction	2,171	2,337	2,280	2,264	2,084	2,056	1,920	2,348	2,532	2,548	2,436	2,948
New non-residential construction	4,850	4,670	4,480	5,016	4,672	5,232	5,128	4,724	4,236	4,592	4,548	4,768
New machinery and equipment	5,472	5,358	5,208	5,292	5,552	5,836	5,924	5,652	5,148	4,708	5,284	5,044
Value of physical change in inventories—total[2]	940	225	988	1,668	588	516	152	148	680	−80	148	12
Non-farm business inventories	777	189	792	1,392	564	360	176	208	684	−312	−12	60
Farm inventories and grain in commercial channels	163	36	196	276	24	156	−24	−60	−4	232	160	−48
Exports of goods and services	13,073	14,608	12,660	12,820	13,276	13,536	14,468	15,004	14,252	14,708	16,184	16,780
Imports of goods and services	−14,280	−15,157	−13,548	−13,996	−14,676	−14,900	−15,088	−15,692	−14,988	−14,860	−16,496	−16,544
Residual error of estimate	−240	−64	−96	−276	−120	−468	28	−172	32	−144	−116	−244
Gross National Expenditure at Market Prices	**58,120**	**62,068**	**56,584**	**57,868**	**58,340**	**59,688**	**60,836**	**62,072**	**62,372**	**62,992**	**64,912**	**66,396**

(1) Includes private businesses and institutions, and publicly owned business enterprises.

(2) The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 7

CHANGES IN SELECTED COMPONENTS OF GROSS NATIONAL EXPENDITURE

1966 to 1968

(Seasonally adjusted)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous period)											
Personal expenditure on consumer goods and services	8.7	8.2	2.0	0.5	3.6	1.9	1.3	2.6	2.2	1.7	2.6	1.1
Government expenditure on consumer goods and services	17.4	9.7	6.3	2.9	6.1	2.2	−0.3	6.8	−3.0	3.3	3.2	2.2
Business gross fixed capital formation[1]	17.3	−1.0	3.3	5.0	−2.1	6.6	−1.2	−1.9	−6.4	−0.6	3.5	4.0
New residential construction	2.2	7.6	5.4	−0.7	−8.0	−1.4	−6.6	22.3	7.8	0.6	−4.4	21.0
New non-residential construction	20.5	−3.7	1.7	12.0	−6.9	12.0	−2.0	−7.9	−10.3	8.4	−1.0	4.8
New machinery and equipment	21.5	−2.1	3.8	1.6	4.9	5.1	1.5	−4.6	−8.9	−8.5	12.2	−4.5
Exports of goods and services	16.0	11.7	6.0	1.3	3.6	2.0	6.9	3.7	−5.0	3.2	10.0	3.7
Imports of goods and services	15.2	6.1	2.2	3.3	4.9	1.5	1.3	4.0	−4.5	−0.9	11.0	0.3
Gross National Expenditure	**11.3**	**6.8**	**4.5**	**2.3**	**0.8**	**2.3**	**1.9**	**2.0**	**0.5**	**1.0**	**3.0**	**2.3**

[1]See footnote (1) reference table 6.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 8

GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS

1966 to 1968

(Seasonally adjusted at annual rates)

—	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)											
Personal expenditure on consumer goods and services	29,902	31,327	29,508	29,296	30,256	30,548	30,788	31,224	31,508	31,788	32,292	32,304
Government expenditure on goods and services	8,335	8,606	7,948	8,192	8,548	8,652	8,312	8,932	8,460	8,720	8,812	8,980
Business gross fixed capital formation[1]	9,633	9,318	9,376	9,732	9,444	9,980	9,748	9,636	9,036	8,852	9,128	9,336
New residential construction	1,585	1,591	1,704	1,672	1,508	1,456	1,348	1,608	1,720	1,688	1,596	1,896
New non-residential construction	3,656	3,350	3,452	3,804	3,500	3,868	3,732	3,400	3,024	3,244	3,184	3,280
New machinery and equipment	4,392	4,377	4,220	4,256	4,436	4,656	4,668	4,628	4,292	3,920	4,348	4,160
Value of physical change in inventories—total[2]	891	174	1,000	1,568	532	464	116	100	556	−76	188	64
Non-farm business inventories	726	162	784	1,284	500	336	160	180	572	−264	−4	76
Farm inventories and grain in commercial channels	165	12	216	284	32	128	−44	−80	−16	188	192	−12
Exports of goods and services	11,345	12,467	11,152	11,212	11,380	11,636	12,396	12,796	12,148	12,528	13,624	14,112
Imports of goods and services	−12,240	−12,834	−11,716	−12,044	−12,544	−12,656	−12,832	−13,296	−12,720	−12,488	−13,668	−13,660
Residual error of estimate	−196	−51	−80	−228	−96	−380	24	−140	24	−112	−88	−188
Gross National Expenditure in Constant (1957) Dollars	**47,670**	**49,007**	**47,188**	**47,728**	**47,520**	**48,244**	**48,552**	**49,252**	**49,012**	**49,212**	**50,288**	**50,948**

[1], [2]See footnotes [1] and [2] reference table 6.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 9

CHANGES IN SELECTED COMPONENTS OF GROSS NATIONAL EXPENDITURE
IN CONSTANT (1957) DOLLARS

1966 to 1968

(Seasonally adjusted)

—	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous period)											
Personal expenditure on consumer goods and services	5.1	4.8	0.8	−0.7	3.3	1.0	0.8	1.4	0.9	0.9	1.6	—
Government expenditure on consumer goods and services	10.8	3.3	3.6	3.1	4.3	1.2	−3.9	7.5	−5.3	3.1	1.1	1.9
Business gross fixed capital formation[1]	12.9	−3.3	2.0	3.8	−3.0	5.7	−2.3	−1.1	−6.2	−2.0	3.1	2.3
New residential construction	−3.5	0.4	3.6	−1.9	−9.8	−3.4	−7.4	19.3	7.0	−1.9	−5.5	18.8
New non-residential construction	14.4	−8.4	0.5	10.2	−8.0	10.5	−3.5	−8.9	−11.1	7.3	−1.9	3.0
New machinery and equipment	19.0	−0.3	2.7	0.9	4.2	5.0	0.3	−0.9	−7.3	−8.7	10.9	−4.3
Exports of goods and services	12.3	9.9	5.2	0.5	1.5	2.2	6.5	3.2	−5.1	3.1	8.7	3.6
Imports of goods and services	12.9	4.9	1.9	2.8	4.2	0.9	1.4	3.6	−4.3	−1.8	9.4	−0.1
Gross National Expenditure	**6.5**	**2.8**	**3.0**	**1.1**	**−0.4**	**1.5**	**0.6**	**1.4**	**−0.5**	**0.4**	**2.2**	**1.3**

[1]See footnote [1] reference table 6.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 10

PRIVATE AND PUBLIC CAPITAL EXPENDITURE

1963 to 1968

—	1963	1964	1965	1966	1967	1968
	(Millions of dollars)					
Agriculture and fishing	762	836	926	1,043	1,073	1,042
Forestry	60	88	96	92	89	92
Mining, quarrying and oil wells	521	632	735	1,030	1,005	1,007
Manufacturing	1,358	1,831	2,340	2,914	2,516	2,455
Utilities and transportation	1,771	2,059	2,423	2,926	3,083	3,314
Construction industry	135	197	263	249	253	252
Trade, finance and commercial services	918	1,042	1,269	1,527	1,417	1,444
Institutions	873	771	1,012	1,204	1,371	1,576
Housing	1,713	2,028	2,133	2,181	2,352	2,661
Government departments	1,282	1,460	1,668	1,924	2,015	2,195
Total Capital Expenditure	**9,393**	**10,944**	**12,865**	**15,090**	**15,174**	**16,038**
Total Capital Expenditure as a percentage of Gross National Expenditure	21.6	23.1	24.6	26.0	24.4	24.0[1]

[1]Estimated by Department of Finance.

SOURCE: DBS and Department of Trade and Commerce *Private and Public Investment in Canada, Outlook*, Annual, and Mid-year Review 1968, Cat. 61-205.

REFERENCE TABLE 11

PRIVATE AND PUBLIC CAPITAL EXPENDITURE
RECONCILIATION WITH NATIONAL ACCOUNTS INVESTMENT

1963 to 1967

—	1963	1964	1965	1966	1967
	(Millions of dollars)				
Private and public capital expenditure—reference table 10	9,393	10,944	12,865	15,090	15,174
Deduct:					
New residential construction by governments	6	7	9	10	15
New non-residential construction by governments	1,609	1,618	1,958	2,252	2,464
New machinery and equipment outlays by governments	187	216	247	335	330
Business gross fixed capital formation—National Accounts definition, reference table 6	7,591	9,103	10,651	12,493	12,365

SOURCE: DBS and Department of Trade and Commerce *Private and Public Investment in Canada.* DBS *The National Accounts.*

REFERENCE TABLE 12

INVESTMENT AS A PER CENT OF GROSS NATIONAL EXPENDITURE

1963 to 1967

—	Total Private and Public Investment	Housing and Social Capital[1]	Business Investment Private and Public[2]
1963	21.6	9.1	12.6
1964	23.1	9.1	14.0
1965	24.6	9.4	15.2
1966	26.0	9.3	16.6
1967	24.4	9.4	15.0

NOTE: Figures may not cross-add due to rounding.
[1]Includes housing, outlays by government departments, institutions and municipal waterworks.
[2]Includes government business enterprises.

SOURCE: DBS and Department of Trade and Commerce *Private and Public Investment in Canada.* DBS *The National Accounts.*

REFERENCE TABLE 13

CHANGES IN NON-FARM BUSINESS INVENTORIES

1966 to 1968

(Seasonally adjusted at annual rates)

—	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)											
Manufacturing	496	36	508	500	420	556	36	212	144	−248	−132	−344
Durables	333	−50	468	348	200	316	44	72	−140	−176	−120	−72
Non-durables	163	86	40	152	220	240	−8	140	284	−72	−12	−272
Wholesale trade	125	81	−68	416	76	76	132	56	96	40	24	−64
Retail trade	153	33	284	412	76	−160	60	−188	260	—	284	324
Other industries	3	39	68	64	−8	−112	−52	128	184	−104	−188	144
Total	777	189	792	1,392	564	360	176	208	684	−312	−12	60

SOURCE: DBS *The National Accounts*

REFERENCE TABLE 14

CHANGES IN MANUFACTURERS' INVENTORIES, SHIPMENTS AND ORDERS
1966 to 1968
(Seasonally adjusted)

—	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous period)											
Inventories held:												
Raw materials	9.6	3.2	2.6	1.6	2.6	1.3	−0.4	0.2	1.8	−0.3	−0.3	−1.3
Goods in process	16.2	9.1	4.6	3.3	4.5	2.5	1.5	1.5	4.2	−2.8	−1.9	0.6
Finished products	9.7	10.1	1.9	3.8	3.0	3.3	2.3	2.4	1.9	−0.6	−1.1	—
Inventories owned	11.7	6.0	3.1	2.7	3.1	2.2	0.3	1.2	2.1	−0.7	−1.1	−0.6
Shipments	9.4	2.1	2.8	0.2	1.0	2.0	−2.0	0.9	2.5	0.2	−0.2	3.4
Unfilled orders	18.1	6.4	4.0	4.7	3.3	2.6	2.2	−1.9	1.8	−0.2	−1.8	−1.3

SOURCE: DBS *Inventories, Shipments and Orders in Manufacturing Industries*, Monthly, Cat. 31-001.

REFERENCE TABLE 15

CHANGES IN PERSONAL EXPENDITURE
1966 to 1968
(Seasonally adjusted)

—	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous period)											
Total consumer expenditure	8.7	8.2	2.0	0.5	3.6	1.9	1.3	2.6	2.2	1.7	2.6	1.1
Durables	4.2	4.7	2.2	−10.4	12.5	−0.9	−3.1	6.6	3.1	−3.8	5.5	0.3
Non-durables	9.7	9.2	1.5	2.5	2.3	2.3	1.4	3.5	2.5	0.6	2.3	0.8
Services	8.9	8.1	2.5	1.5	2.6	2.1	2.4	0.4	1.5	4.8	2.1	1.6
(Total non-durables and services)	(9.3)	(8.7)	(2.0)	(2.0)	(2.4)	(2.2)	(1.9)	(2.1)	(2.0)	(2.4)	(2.2)	(1.1)

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 16

INTERNATIONAL PAYMENTS: CURRENT ACCOUNT

1963 to 1968

(Seasonally adjusted at annual rates)

—	1963	1964	1965	1966	1967	1966				1967				1968	
						1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)														
Current Receipts:															
Merchandise exports (adjusted)	7,082	8,238	8,745	10,326	11,387	9,816	9,940	10,640	10,908	11,448	11,504	10,712	11,884	13,188	13,524
Gold available for export	154	145	138	127	112	132	120	128	128	124	116	104	104	124	120
Travel expenditures	609	662	747	840	1,304	840	840	836	844	952	1,484	1,744	1,036	912	1,080
Interest and dividends	230	332	322	318	294	320	356	280	316	320	236	312	308	308	352
Freight and shipping	563	644	668	758	845	716	728	792	796	832	848	832	868	916	928
Inheritances and immigrant's funds	151	169	216	268	337	232	260	284	296	320	348	352	328	304	368
Other current receipts	500	557	645	759	806	728	752	780	776	844	776	808	796	736	776
Total Current Receipts	9,289	10,747	11,481	13,396	15,085	12,784	12,996	13,740	14,064	14,840	15,312	14,864	15,324	16,488	17,148
Current Payments:															
Merchandise imports (adjusted)	6,579	7,537	8,627	10,102	10,906	9,516	9,856	10,304	10,732	10,760	11,188	10,964	10,712	11,920	11,816
Travel expenditures	585	712	796	900	877	876	892	944	888	936	848	820	904	940	904
Interest and dividends	860	1,010	1,086	1,140	1,190	1,056	1,104	1,100	1,300	1,064	1,188	1,276	1,232	1,256	1,368
Freight and shipping	648	679	761	823	884	800	816	836	840	888	888	868	892	952	936
Inheritances and emigrant's funds	185	201	211	198	213	180	192	208	212	208	208	224	212	204	212
Official contributions	65	69	93	166	181	1,276	1,276	1,528	1,500	1,520	1,736	1,452	1,524	1,428	1,520
Other current payments	888	963	1,037	1,229	1,377										
Total Current Payments	9,810	11,171	12,611	14,558	15,628	13,704	14,136	14,920	15,472	15,376	16,056	15,604	15,476	16,700	16,756
Balance on merchandise trade	+503	+701	+118	+224	+481	+300	+84	+336	+176	+688	+316	−252	+1,172	+1,268	+1,708
Balance on other transactions	−1,024	−1,125	−1,248	−1,386	−1,024	−1,220	−1,224	−1,516	−1,584	−1,224	−1,060	−488	−1,324	−1,480	−1,316
Current Account Balance	−521	−424	−1,130	−1,162	−543	−920	−1,140	−1,180	−1,408	−536	−744	−740	−152	−212	+392

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments*, Quarterly, Cat. 67-001.

REFERENCE TABLE 17

BALANCE ON TRAVEL ACCOUNT

1965 to 1968

—	1965	1966	1967	1966				1967				1968	
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)												
United States:													
Receipts	660	730	1,158	64	155	403	108	71	302	637	148	68	205
Payments	548	628	609	141	172	212	103	153	166	184	106	157	173
Balance	+112	+102	+549	−77	−17	+191	+5	−82	+136	+453	+42	−89	+32
Rest of World:													
Receipts	87	110	146	10	28	52	20	11	44	71	20	11	30
Payments	248	272	268	50	67	103	52	56	64	94	54	52	70
Balance	−161	−162	−122	−40	−39	−51	−32	−45	−20	−23	−34	−41	−40
All Countries:													
Receipts	747	840	1,304	74	183	455	128	82	346	708	168	79	235
Payments	796	900	877	191	239	315	155	209	230	278	160	209	243
Balance	−49	−60	+427	−117	−56	+140	−27	−127	+116	+430	+8	−130	−8

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 18

GEOGRAPHICAL DISTRIBUTION OF MERCHANDISE AND NON-MERCHANDISE TRANSACTIONS

1966 and 1967

—	United States		United Kingdom		Other Countries		All Countries	
	1966	1967	1966	1967	1966	1967	1966	1967
	(Millions of dollars)							
Merchandise exports (adjusted)	6,249	7,325	1,133	1,199	2,944	2,863	10,326	11,387
Merchandise imports (adjusted)	7,242	7,980	664	651	2,196	2,275	10,102	10,906
Trade balance	−993	−655	+469	+548	+748	+588	+224	+481
Non-merchandise receipts	2,052	2,501	386	395	632	802	3,070	3,698
Non-merchandise payments	3,089	3,225	430	459	937	1,038	4,456	4,722
Non-merchandise balance	−1,037	−724	−44	−64	−305	−236	−1,386	−1,024
Total current receipts	8,301	9,826	1,519	1,594	3,576	3,665	13,396	15,085
Total current payments	10,331	11,205	1,094	1,110	3,133	3,313	14,558	15,628
Current account balance	−2,030	−1,379	+425	+484	+443	+352	−1,162	−543

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 19

LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT, CANADA

1963 to 1968

—	1963	1964	1965	1966	1967	1968[1]	1963	1964	1965	1966	1967	1968[2]
	(Thousands of persons)						(Per cent change from previous period)					
Total labour force	6,748	6,933	7,141	7,420	7,694	7,868	2.0	2.7	3.0	3.9	3.7	2.5
Agriculture	662	641	602	551	566	555	−1.9	−3.2	−6.1	−8.5	2.7	−1.4
Non-agriculture	6,086	6,292	6,540	6,869	7,129	7,313	2.5	3.4	3.9	5.0	3.8	2.8
Men	4,879	4,961	5,065	5,193	5,329	5,424	1.2	1.7	2.1	2.5	2.6	2.0
Women	1,870	1,972	2,076	2,227	2,365	2,444	4.1	5.5	5.3	7.3	6.2	4.0
Age 14–19	672	700	738	778	816	838	3.7	4.2	5.4	5.4	4.9	2.6
Total employed	6,375	6,609	6,862	7,152	7,379	7,484	2.4	3.7	3.8	4.2	3.2	1.6
Agriculture	649	630	594	544	559	542	−1.7	−2.9	−5.7	−8.4	2.8	−1.3
Non-agriculture	5,726	5,979	6,268	6,609	6,820	6,936	2.9	4.4	4.8	5.4	3.2	1.8
Men	4,567	4,698	4,842	4,983	5,083	5,123	1.8	2.9	3.1	2.9	2.0	0.8
Women	1,808	1,911	2,020	2,169	2,296	2,359	4.1	5.7	5.7	7.4	5.9	3.4
Age 14–19	596	628	673	714	740	745	4.0	5.4	7.2	6.1	3.6	0.5
Total unemployed	374	324	280	267	315	384	−4.1	−13.4	−13.6	−4.6	18.0	25.1
Unemployment rate	5.5	4.7	3.9	3.6	4.1	4.9	—	—	—	—	—	—

[1] Average of the first eight months of 1968. Small differences in totals may arise due to the seasonal adjustment process.
[2] Per cent change is based on the first eight months of 1968 compared to the first eight months of 1967.

SOURCE: DBS *The Labour Force*, Monthly, Cat. 71-001.

REFERENCE TABLE 20

LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT BY REGION

1965 to 1968

—	1965	1966	1967	1968(1)	1966	1967	1968(2)
	(Thousands of persons)				(Per cent change from previous period)		
ATLANTIC REGION							
Labour force:							
Total	611	626	635	643	2.5	1.4	2.1
Non-agricultural	577	593	605	—	2.8	2.0	—
Employed:							
Total	566	586	593	595	3.5	1.2	1.2
Non-agricultural	533	554	564	568	3.9	1.8	1.4
Unemployed	45	40	42	48	−11.1	5.0	14.3
Unemployment rate (per cent)	7.4	6.4	6.6	7.5	—	—	—
QUEBEC							
Labour force:							
Total	2,022	2,116	2,196	2,214	4.6	3.8	0.8
Non-agricultural	1,903	2,007	2,080	—	5.5	3.6	—
Employed:							
Total	1,912	2,016	2,080	2,071	5.4	3.2	−0.6
Non-agricultural	1,796	1,910	1,966	1,952	6.3	2.9	−1.0
Unemployed	110	100	116	143	−9.1	16.0	26.5
Unemployment rate (per cent)	5.4	4.7	5.3	6.5	—	—	—
ONTARIO:							
Labour force:							
Total	2,614	2,719	2,834	2,909	4.0	4.2	2.9
Non-agricultural	2,461	2,577	2,685	—	4.7	4.2	—
Employed:							
Total	2,548	2,651	2,745	2,803	4.0	3.5	2.4
Non-agricultural	2,397	2,510	2,598	2,664	4.7	3.5	2.7
Unemployed	66	69	89	107	4.5	29.0	21.6
Unemployment rate (per cent)	2.5	2.5	3.1	3.7	—	—	—
PRAIRIE REGION:							
Labour force:							
Total	1,228	1,248	1,268	1,311	1.6	1.6	3.3
Non-agricultural	955	1,007	1,023	—	5.4	1.6	—
Employed:							
Total	1,196	1,222	1,238	1,269	2.2	1.3	2.3
Non-agricultural	925	982	995	1,036	6.2	1.3	4.0
Unemployed	32	26	30	41	−18.8	15.4	46.4
Unemployment rate (per cent)	2.6	2.1	2.4	3.1	—	—	—
BRITISH COLUMBIA:							
Labour force:							
Total	666	710	762	791	6.6	7.3	5.2
Non-agricultural	644	684	736	—	6.2	7.6	—
Employed:							
Total	639	678	723	742	6.1	6.6	3.9
Non-agricultural	617	652	698	716	5.7	7.1	3.9
Unemployed	27	32	39	48	18.5	21.9	26.3
Unemployment rate (per cent)	4.1	4.5	5.1	6.1	—	—	—

(1)Average of the first eight months of 1968. Small differences in totals may arise due to the seasonal adjustment process.
(2)Per cent change is based on the first eight months of 1968 compared to the first eight months of 1967.

SOURCE: DBS *The Labour Force.*

REFERENCE TABLE 21

ANNUAL CHANGES IN REAL DOMESTIC PRODUCT

1963 to 1967

—	1963	1964	1965	1966	1967
	(Per cent change from previous year)				
Real domestic product	5.1	6.4	6.9	6.0	2.7
Agriculture	12.0	−9.9	4.9	13.3	−14.2
Real domestic product less agriculture	4.6	7.4	7.0	5.6	3.6
Mines	5.5	12.9	5.4	3.7	6.4
Manufacturing	6.8	9.5	9.1	7.2	0.3
Non-durables	5.0	7.5	6.2	5.8	1.3
Durables	8.6	11.8	12.1	8.8	−0.7
Construction	1.2	10.9	13.9	6.0	0.5
Transportation, storage and communication	6.7	8.2	5.8	7.2	5.8
Trade	3.8	5.8	7.2	4.4	4.2
Finance, insurance and real estate	3.9	4.4	3.8	2.7	4.4
Services	4.2	6.6	7.4	5.4	4.8
Commercial industries less agriculture	5.2	7.9	7.3	6.0	3.1

SOURCE: DBS *Indexes of Real Domestic Product by Industry (1961 Base)*, Occasional, Cat. 61-506.
DBS *Index of Industrial Production (1961 = 100)*, Monthly, Cat. 61-005.

REFERENCE TABLE 22

QUARTERLY CHANGES IN REAL DOMESTIC PRODUCT

1965 to 1968

(Seasonally adjusted)

	1965				1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous quarter)													
Real domestic product less agriculture	2.1	1.2	2.2	2.2	1.9	0.3	0.3	1.3	0.6	1.7	0.6	0.6	0.6	1.5
Mines	3.9	−2.4	3.3	1.6	2.2	−0.1	−3.5	4.9	1.4	2.6	0.8	3.2	−0.3	2.4
Manufacturing	2.6	1.8	3.0	3.0	2.3	0.4	0.3	0.7	−1.1	0.5	0.4	1.1	−0.3	3.2
Non-durables	0.8	0.9	2.5	2.3	2.0	0.6	−0.5	1.0	−0.2	1.0	−0.1	1.1	2.2	1.3
Durables	4.6	2.7	3.5	3.7	2.7	0.1	1.0	0.4	−2.0	−0.1	1.0	1.0	−2.7	5.2
Construction	5.5	−1.4	3.3	2.6	6.5	−0.9	−4.2	−0.8	1.0	3.1	2.0	−3.1	1.5	6.1
Transportation, storage and communication	0.8	0.7	3.2	4.3	−0.2	2.3	—	2.5	2.3	1.1	0.6	0.8	2.1	−1.5
Trade	2.3	3.3	1.2	1.8	2.3	−2.9	2.8	1.7	−0.7	4.0	−0.5	1.0	−0.7	0.6
Finance, insurance and real estate	1.1	1.1	0.7	0.5	0.6	0.6	1.1	0.7	1.2	1.5	1.2	0.9	0.7	1.2
Services	1.8	2.0	1.6	1.3	1.2	1.4	0.9	1.3	1.3	1.6	0.9	0.3	0.6	0.6
Commercial industries less agriculture	2.2	1.3	2.3	2.5	2.0	0.2	0.1	1.3	0.5	1.6	0.5	0.6	0.5	1.7

SOURCE: DBS *Indexes of Real Domestic Product by Industry (1961 Base)*.
DBS *Index of Industrial Production (1961=100)*.

REFERENCE TABLE 23

ANNUAL CHANGES IN EMPLOYMENT BY INDUSTRY

1963 to 1967

—	1963	1964	1965	1966	1967
	(Per cent change from previous year)				
Agriculture[1]	−1.7	−2.9	−5.7	−8.4	2.8
Mines	−1.7	1.2	6.3	2.2	1.5
Manufacturing	2.9	4.9	4.9	5.4	0.2
Non-durables	1.4	3.6	2.6	4.0	0.3
Durables	4.8	6.4	7.5	6.9	0.1
Construction	0.3	5.6	10.4	6.5	−4.2
Transportation, storage and communication	0.9	3.0	2.9	3.1	2.7
Trade	3.1	4.0	5.2	5.4	2.6
Finance, insurance and real estate	5.3	5.2	3.7	3.8	6.4
Services	5.9	6.8	7.5	8.4	7.9
Commercial industries less agriculture	2.5	4.7	5.5	5.4	1.8

[1] Taken from DBS *The Labour Force.*

SOURCE: DBS *Estimates of Employees by Province and Industry.*

REFERENCE TABLE 24

QUARTERLY CHANGES IN EMPLOYMENT BY INDUSTRY

1965 to 1968

(Seasonally adjusted)

—	1965				1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q[p]
	(Per cent change from previous quarter)													
Mines	3.1	1.5	1.9	1.3	1.2	−0.4	−3.2	2.8	0.9	−0.8	1.1	0.8	1.3	−0.8
Manufacturing	1.2	1.2	1.4	1.8	1.8	1.1	0.3	0.9	0.1	−1.0	−0.1	−0.4	−0.8	1.3
Non-durables	—	0.6	1.7	1.0	1.5	0.7	0.2	0.7	0.1	−0.4	−0.6	—	0.5	1.6
Durables	2.4	1.7	1.2	2.8	2.0	1.5	0.6	1.1	−0.1	−1.8	0.6	−0.8	−2.2	0.9
Construction	3.2	1.1	3.4	4.4	2.6	−0.6	−1.9	1.1	0.3	−5.0	−0.6	0.1	0.3	2.1
Transportation, storage and communication	1.0	−0.1	0.6	0.9	0.8	0.9	0.8	1.0	1.7	0.1	−0.9	0.1	0.8	−1.6
Trade	1.4	1.4	1.3	1.2	2.3	0.9	0.3	1.1	0.5	0.5	0.5	0.9	1.1	2.0
Finance, insurance and real estate	0.6	0.8	0.8	0.9	1.0	1.3	0.8	0.7	2.2	2.5	1.5	1.0	1.1	3.1
Services	1.6	1.4	2.5	2.4	2.1	1.8	1.9	1.5	1.6	2.7	2.4	1.1	1.4	2.3
Commercial industries less agriculture	1.5	1.1	1.6	1.8	1.8	1.1	0.1	1.2	0.8	−0.4	−0.2	0.4	0.5	1.4

[p]=preliminary

SOURCE: DBS *Estimates of Employees by Province and Industry* (Seasonally adjusted by the Department of Finance).

REFERENCE TABLE 25

ANNUAL CHANGES IN OUTPUT PER EMPLOYEE

1963 to 1967

—	1963	1964	1965	1966	1967
	(Per cent change from previous year)				
Agriculture	13.9	−7.2	11.2	23.7	−16.5
Mines	7.3	11.6	−0.8	1.5	4.8
Manufacturing	3.8	4.4	4.0	1.7	0.1
Non-durables	3.6	3.8	3.5	1.7	1.0
Durables	3.6	5.1	4.3	1.8	−0.8
Construction	0.9	5.0	3.2	−0.5	4.9
Transportation, storage and communication	5.7	5.0	2.8	4.0	3.0
Trade	0.7	1.7	1.9	−0.9	1.6
Finance, insurance and real estate	−1.3	−0.8	0.1	−1.1	−1.9
Services	−1.6	−0.2	−0.1	−2.8	−2.9
Commercial industries less agriculture	2.6	3.1	1.7	0.6	1.3

SOURCE: Reference tables 21 and 23.

REFERENCE TABLE 26

QUARTERLY CHANGES IN OUTPUT PER EMPLOYEE

1965 to 1968

(Seasonally adjusted)

	1965				1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q[p]
	(Per cent change from previous quarter)													
Mines	0.8	−3.9	1.4	0.3	0.1	0.3	−0.3	2.0	0.5	3.4	−0.3	2.4	−1.6	3.2
Manufacturing	1.4	0.6	1.6	1.2	0.5	−0.7	—	−0.2	−1.2	1.5	0.5	1.5	0.5	1.9
Non-durables	0.8	0.3	0.8	1.3	0.5	−0.1	−0.7	0.3	−0.3	1.4	0.5	1.1	1.7	−0.3
Durables	2.1	1.0	2.3	0.9	0.7	−1.4	0.4	−0.7	−1.9	1.7	0.4	1.8	−0.5	4.3
Construction	2.2	−2.5	−0.1	−1.7	3.8	−0.3	−2.3	−1.9	0.7	8.5	2.6	−3.2	1.2	3.9
Transportation, storage and communication	−0.2	0.8	2.6	3.4	−1.0	1.4	−0.8	1.5	0.6	1.0	1.5	0.7	1.3	0.1
Trade	0.9	1.9	−0.1	0.6	—	−3.8	2.5	0.6	−1.2	3.5	−1.0	0.1	−1.8	−1.4
Finance, insurance and real estate	0.5	0.3	−0.1	−0.4	−0.4	−0.7	0.3	—	−1.0	−1.0	−0.3	−0.1	−0.4	−1.8
Services	0.2	0.6	0.9	−1.1	−0.9	−0.4	−1.0	−0.2	−0.3	−1.1	−1.5	−0.8	−0.8	−1.7
Commercial industries less agriculture	0.7	0.2	0.7	0.7	0.2	−0.9	—	0.1	−0.3	2.0	0.7	0.2	—	0.3

[p]=preliminary

SOURCE: Reference tables 22 and 24.

REFERENCE TABLE 27

ANNUAL CHANGES IN EARNINGS AND OUTPUT

1963 to 1967

—	1963	1964	1965	1966	1967
	(Per cent change from previous year)				
Wages and salaries per worker					
Non-farm	3.7	3.4	5.7	6.3	6.2
Manufacturing	3.1	3.8	5.1	5.7	5.9
Output per worker					
Non-farm	1.7	2.0	1.5	—	0.6
Manufacturing	3.8	4.4	4.0	1.7	0.1
Wages and salaries per unit of output					
Non-farm	2.0	1.4	4.1	6.3	5.6
Manufacturing	−0.7	−0.6	1.1	3.9	5.8
Corporate profits per unit of output					
Non-farm	4.9	7.2	0.7	−6.3	−5.8
Manufacturing	5.4	−0.7	−2.2	−9.4	−4.1

SOURCE: DBS *Estimates of Labour Income.*
DBS *Estimates of Employees by Province and Industry.*
DBS *Indexes of Real Domestic Product by Industry (1961 Base).*
DBS *Index of Industrial Production (1961 = 100).*
DBS *Corporation Profits.*

REFERENCE TABLE 28

QUARTERLY CHANGES IN EARNINGS AND OUTPUT

1965 to 1968

(Seasonally adjusted)

—	1965				1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q[p]
	(Per cent change from previous quarter)													
Wages and salaries per worker														
Non-farm	2.2	1.4	1.4	1.6	2.0	1.0	1.6	1.7	1.5	1.7	1.3	0.7	1.6	1.5
Manufacturing	2.3	1.2	0.9	2.4	1.3	0.6	2.2	1.0	0.6	2.3	2.3	0.7	1.5	1.6
Output per worker														
Non-farm	0.7	0.1	0.6	0.5	0.3	−1.0	−0.3	0.1	−0.4	1.5	—	0.2	0.1	0.1
Manufacturing	1.4	0.6	1.6	1.2	0.5	−0.7	—	−0.2	−1.2	1.5	0.5	1.5	0.5	1.9
Wages and salaries per unit of output														
Non-farm	1.5	1.3	0.8	1.1	1.7	2.0	1.9	1.6	1.9	0.2	1.3	0.5	1.5	1.4
Manufacturing	0.9	0.6	−0.7	1.2	0.8	1.3	2.2	1.2	1.8	0.8	1.8	−0.8	1.0	−0.3
Corporate profits per unit of output														
Non-farm	−2.3	0.2	2.3	−3.0	−0.2	−3.1	−8.2	5.2	−7.2	0.3	4.6	1.0	−0.6	5.3
Manufacturing	9.4	−1.5	0.1	−5.9	2.7	−5.1	−9.1	3.2	−5.6	2.0	4.7	5.4	0.6	6.4

[p]=preliminary

SOURCE: DBS *Estimates of Labour Income.*
DBS *Estimates of Employees by Province and Industry* (Seasonally adjusted by Department of Finance).
DBS *Indexes of Real Domestic Product by Industry (1961 Base).*
DBS *Index of Industrial Production (1961 = 100).*
DBS *Corporation Profits.*

REFERENCE TABLE 29

GROSS NATIONAL EXPENDITURE PRICE INDEXES

(Seasonally adjusted base weighted price indexes)

1966 to 1968

—	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous quarter)							
Personal expenditure	0.6	0.9	0.4	1.3	1.3	0.7	1.2	1.0
Non-durable goods	0.5	0.5	−0.1	0.8	1.2	0.4	1.8	0.8
Durable goods	−0.3	1.2	−0.2	1.4	1.0	1.1	−0.4	0.5
Total goods	0.4	0.6	—	0.8	1.2	0.5	1.3	0.8
Food	0.7	−0.2	−0.9	−0.6	2.0	0.8	1.4	−0.1
Non-food	0.2	1.1	0.4	1.6	0.7	0.4	1.3	1.1
Non-food non-durables	0.4	1.1	0.6	1.8	0.6	—	2.1	1.5
Services, excluding net expenditures abroad	1.0	1.2	1.3	2.1	1.5	0.8	0.9	1.3
Government expenditure[1]	1.7	1.6	2.9	−0.2	1.8	0.6	0.3	1.2
Business gross fixed capital formation	1.2	1.0	1.2	−0.8	−0.2	1.0	1.1	1.0
Residential construction	2.1	2.2	0.9	2.1	1.0	2.5	1.3	1.8
Non-residential construction	1.4	1.3	1.5	1.2	0.7	1.1	0.9	1.7
Machinery and equipment	0.8	0.2	1.0	−3.8	−1.6	0.1	1.2	−0.2
Exports	1.6	0.6	0.4	—	0.1	0.6	1.2	0.5
Merchandise	1.6	0.4	0.2	−0.4	−0.3	0.4	1.2	0.1
Imports[1]	0.5	0.9	0.2	0.3	0.3	0.8	1.4	0.4
Gross National Expenditure (excluding inventories)	**1.2**	**1.0**	**1.3**	**0.5**	**1.0**	**0.7**	**0.9**	**1.0**
G.N.E. (implicit price)	**1.3**	**0.7**	**1.3**	**0.6**	**1.0**	**0.5**	**0.9**	**0.9**

[1]Quarter-to-quarter changes in this component are not necessarily analytically significant owing to the incomplete price data.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 30

CONSUMER PRICE INDEX

1963 to 1968

(1949 = 100)

—	1963	1964	1965	1966	1967	August 1968
All items	**133.0**	**135.4**	**138.7**	**143.9**	**149.0**	**156.0**
Food	130.3	132.4	135.9	144.5	146.5	157.4
Housing	136.2	138.4	140.9	144.7	151.0	158.4
Clothing	116.3	119.2	121.4	126.0	132.3	135.7
Transportation	140.4	142.0	147.3	150.3	157.2	161.8
Health and personal care	162.4	167.8	175.5	180.9	190.2	199.1
Recreation and reading	149.3	151.8	154.3	158.7	166.8	175.2
Tobacco and alcohol	118.1	120.2	122.3	125.1	128.3	141.1
All commodities	**123.1**	**124.7**	**126.7**	**131.5**	**134.9**	**140.2**
Durables	115.5	114.5	114.6	115.0	118.6	119.8
Non-durables	124.6	126.7	129.2	134.9	138.3	144.3
Non-durables excluding food	120.3	122.4	124.1	127.5	132.4	138.8
Services	**159.8**	**163.8**	**170.6**	**176.6**	**185.9**	**195.6**

SOURCE: DBS *Prices and Price Indexes*, Monthly, Cat. 62-002.

REFERENCE TABLE 31

CHANGES IN THE CONSUMER PRICE INDEX

1963 to 1968

—	1963	1964	1965	1966	1967	Aug. 1968 / Aug. 1967
	(Per cent change from previous year)					
All items	**1.8**	**1.8**	**2.4**	**3.7**	**3.5**	**3.4**
Food	3.2	1.6	2.6	6.3	1.4	1.6
Housing	1.0	1.6	1.8	2.7	4.4	4.1
Clothing	2.5	2.5	1.8	3.8	5.0	2.6
Transportation	—	1.1	3.7	2.0	4.6	2.4
Health and personal care	2.6	3.3	4.6	3.1	5.1	3.8
Recreation and reading	1.4	1.7	1.6	2.9	5.1	4.3
Tobacco and alcohol	0.3	1.8	1.7	2.3	2.6	9.7
All commodities	**1.7**	**1.3**	**1.6**	**3.8**	**2.6**	**2.6**
Durables	0.2	−0.9	0.1	0.3	3.1	0.8
Non-durables	2.0	1.7	2.0	4.4	2.5	2.8
Non-durables excluding food	1.0	1.7	1.4	2.7	3.8	4.5
Services	**1.4**	**2.5**	**4.2**	**3.5**	**5.3**	**4.2**

SOURCE: DBS *Prices and Price Indexes.*

REFERENCE TABLE 32

CONTRIBUTIONS TO CHANGES IN THE CONSUMER PRICE INDEX

1963 to 1968

—	1963	1964	1965	1966	1967	1968[2]
	(Percentage points)					
All items	**1.8**	**1.8**	**2.4**	**3.7**	**3.5**	**3.4**
Food	0.9	0.4	0.7	1.6	0.4	0.4
Housing	0.4	0.5	0.6	0.9	1.4	1.3
Clothing	0.2	0.3	0.2	0.4	0.5	0.3
Transportation	—	0.2	0.4	0.3	0.5	0.3
Health and personal care	0.2	0.2	0.3	0.3	0.4	0.3
Recreation and reading	0.1	0.1	0.1	0.1	0.2	0.2
Tobacco and alcohol	—	0.1	0.1	0.1	0.1	0.6
All items	**1.8**	**1.8**	**2.4**	**3.7**	**3.5**	**3.4**
All commodities	1.2	0.9	1.0	2.4	1.6	1.6
Durables	—	−0.1	—	—	0.3	0.1
Non-durables	1.2	1.0	1.0	2.4	1.3	1.5
Non-durables excluding food	0.3	0.5	0.4	0.8	1.0	1.2
Services	0.3	0.7	1.1	1.0	1.4	1.2
Portion of shelter excluded[1]	0.3	0.2	0.3	0.3	0.5	0.6

[1] Includes new houses, property taxes and mortgage interest.

[2] Per cent change is based on the first eight months of 1968 compared to the first eight months of 1967.

SOURCE: DBS *Prices and Price Indexes.*

REFERENCE TABLE 33

GOVERNMENT TRANSACTIONS ON A NATIONAL ACCOUNTS BASIS

1964 to 1968

(Seasonally adjusted at annual rates)

—	1964	1965	1966	1967	1967				1968	
					1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)									
GOVERNMENT REVENUE:										
Direct taxes—persons	3,428	3,913	4,484	5,493	5,532	4,980	5,540	5,920	6,456	6,044
Federal	2,558	2,716	2,955	3,572	3,632	3,276	3,588	3,792	4,268	3,952
Provincial and municipal	870	1,197	1,529	1,921	1,900	1,704	1,952	2,128	2,188	2,092
Direct taxes—corporations	2,053	2,225	2,252	2,208	2,120	2,228	2,224	2,260	2,352	2,492
Federal	1,546	1,675	1,696	1,630	1,568	1,648	1,644	1,660	1,736	1,860
Provincial	507	550	556	578	552	580	580	600	616	632
Withholding taxes										
Federal	140	168	203	218	192	240	220	220	240	216
Indirect taxes	6,695	7,564	8,466	9,227	9,208	9,224	9,164	9,312	9,676	9,732
Federal	2,847	3,252	3,575	3,707	3,820	3,712	3,644	3,652	3,700	3,588
Provincial and municipal	3,848	4,312	4,891	5,520	5,388	5,512	5,520	5,660	5,976	6,144
Investment income	1,526	1,671	1,813	2,149	1,856	2,144	2,268	2,328	2,168	2,280
Federal	570	630	690	800	612	808	872	908	764	832
Provincial and municipal	956	1,041	1,118	1,312	1,216	1,308	1,356	1,368	1,348	1,368
Canada Pension Plan	—	—	5	37	28	28	40	52	56	80
Employer and employee contributions to social insurance and government pension funds	912	1,027	1,843	2,031	1,972	2,028	2,132	1,992	2,124	2,196
Federal	574	618	690	704	680	716	780	640	756	748
Provincial and municipal	338	409	439	478	456	468	496	492	484	488
Canada Pension Plan	—	—	531	624	620	620	628	628	644	672
Quebec Pension Plan	—	—	183	225	216	224	228	232	240	288
Transfers from federal government										
Provincial and municipal	1,252	1,434	1,662	1,992	1,752	2,112	2,064	2,040	2,336	2,472
Total Revenue	**16,006**	**18,002**	**20,723**	**23,318**	**22,632**	**22,956**	**23,612**	**24,072**	**25,352**	**25,432**
Federal	8,235	9,059	9,809	10,631	10,504	10,400	10,748	10,872	11,464	11,196
Provincial and municipal	7,771	8,943	10,195	11,801	11,264	11,684	11,968	12,288	12,948	13,196
Canada Pension Plan	—	—	536	661	648	648	668	680	700	752
Quebec Pension Plan	—	—	183	225	216	224	228	232	240	288

REFERENCE TABLE 33 (Continued)

GOVERNMENT TRANSACTIONS ON A NATIONAL ACCOUNTS BASIS

1964 to 1968

(Seasonally adjusted at annual rates)

—	1964	1965	1966	1967	1967 1Q	1967 2Q	1967 3Q	1967 4Q	1968 1Q	1968 2Q
	(Millions of dollars)									
GOVERNMENT EXPENDITURE:										
Goods and services	8,654	9,614	11,286	12,377	11,860	12,672	12,288	12,688	13,092	13,380
Federal—Total	3,046	3,293	3,920	4,259	4,096	4,472	4,196	4,272	4,580	4,412
—(Defence)	(1,584)	(1,559)	(1,709)	(1,805)	(1,644)	(1,844)	(1,952)	(1,780)	(1,704)	(1,820)
Provincial and municipal	5,608	6,321	7,366	8,118	7,764	8,200	8,092	8,416	8,512	8,968
Transfer payments to persons	4,133	4,574	5,047	6,223	5,884	6,236	6,200	6,572	6,644	7,168
Federal	2,239	2,312	2,478	2,936	2,772	3,032	2,972	2,968	3,080	3,384
Provincial and municipal	1,894	2,262	2,569	3,287	3,112	3,204	3,228	3,604	3,564	3,784
Canada Pension Plan	—	—	—	—	—	—	—	—	—	—
Quebec Pension Plan	—	—	—	—	—	—	—	—	—	—
Interest on the public debt	1,526	1,645	1,805	1,982	1,844	1,928	2,020	2,136	2,036	2,236
Federal	995	1,052	1,151	1,245	1,140	1,208	1,280	1,352	1,256	1,424
Provincial and municipal	531	593	654	737	704	720	740	784	780	812
Subsidies	323	326	516	522	416	536	540	596	436	452
Federal	277	259	375	390	292	436	396	436	304	340
Provincial	46	67	141	132	124	100	144	160	132	112
Capital assistance										
Federal	82	84	59	65	52	60	48	100	80	36
Transfers to provincial and municipal governments										
Federal	1,252	1,434	1,662	1,992	1,752	2,112	2,064	2,040	2,336	2,472
Total Expenditure	**15,970**	**17,677**	**20,375**	**23,161**	**21,808**	**23,544**	**23,160**	**24,132**	**24,624**	**25,744**
Federal	7,891	8,434	9,645	10,887	10,104	11,320	10,956	11,168	11,636	12,068
Provincial and municipal	8,079	9,243	10,730	12,274	11,704	12,224	12,204	12,964	12,988	13,676
Canada Pension Plan	—	—	—	—	—	—	—	—	—	—
Quebec Pension Plan	—	—	—	—	—	—	—	—	—	—
Surplus (+) or deficit (−)	**36**	**325**	**348**	**157**	**824**	**−588**	**452**	**−60**	**728**	**−312**
Federal	344	625	164	−256	400	−920	−208	−296	−172	−872
Provincial and municipal	−308	−300	−535	−473	−440	−540	−236	−676	−40	−480
Canada Pension Plan	—	—	536	661	648	648	668	680	700	752
Quebec Pension Plan	—	—	183	225	216	224	228	232	240	288

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 34

REVENUES, EXPENDITURES AND FISCAL POSITION, BY LEVEL OF GOVERNMENT

Selected years 1955 to 1967

(National accounts basis)

—	1955	1961	1964	1965	1966	1967
	(Millions of dollars)					
Federal—Revenue	4,937	6,668	8,235	9,059	9,809	10,631
—Expenditure	4,761	7,129	7,891	8,434	9,645	10,887
Surplus (+) or deficit (−)	+176	−461	+344	+625	+164	−256
Provincial—Revenue	1,874	3,709	5,426	6,361	7,312	8,661
—Expenditure	1,740	3,837	5,296	6,136	7,245	8,785
Surplus (+) or deficit (−)	+134	−128	+130	+225	+67	−124
Municipal—Revenue	1,374	2,707	3,642	4,073	4,616	5,305
—Expenditure	1,578	3,123	4,080	4,598	5,218	5,654
Surplus (+) or deficit (−)	−204	−416	−438	−525	−602	−349
Canada Pension Plan	—	—	—	—	536	661
Quebec Pension Plan	—	—	—	—	183	225
Total[1]—Revenue	7,386	11,099	14,754	16,568	19,061	21,326
—Expenditure	7,280	12,104	14,718	16,243	18,713	21,169
Surplus (+) or deficit (−)	**+106**	**−1,005**	**+36**	**+325**	**+348**	**+157**

[1]Excluding inter-governmental transfers.

SOURCE: *The National Accounts.*

REFERENCE TABLE 35

FEDERAL GOVERNMENT REVENUES AND EXPENDITURES

PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

1966 to 1968

(Not seasonally adjusted)

—	1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)									
REVENUE:										
Budgetary Revenue	1,972	1,992	1,976	2,166	2,224	2,173	2,104	2,340	2,425	2,136
Deduct:										
Budgetary return on investment	−145	−118	−88	−164	−148	−141	−90	−218	−163	−145
Post Office revenue	−61	−56	−51	−81	−65	−59	−60	−85	−78	−63
Other non-tax budgetary revenue	−56	−26	−35	−34	−52	−14	−28	−28	−61	−18
	(−262)	(−200)	(−174)	(−279)	(−265)	(−214)	(−178)	(−331)	(−302)	(−226)
Corporate income tax, excess of accruals (+) over collections (−)	−96	−17	+8	+61	−122	−82	−23	+34	−84	+55
Add:										
Extra-budgetary funds revenue:										
Old age security taxes	326	319	294	300	373	377	345	345	428	420
Unemployment insurance fund—employer-employee contributions	87	78	89	89	88	82	93	87	82	87
Government pension fund—employer-employee contributions	75	91	93	88	84	91	105	74	109	94
Prairie Farm Assistance Act levies	2	2	5	2	2	3	5	1	2	1
	(490)	(490)	(481)	(479)	(547)	(553)	(548)	(507)	(621)	(602)
Government investment income:										
Interest on loans, advances and investments	49	69	63	90	67	81	80	106	80	60
Interest receipts on social insurance and government pension accounts	46	50	51	52	53	57	58	60	60	85
Profits before taxes (net of losses) of government business enterprises	32	69	43	76	6	72	77	83	22	71
	(127)	(188)	(157)	(218)	(126)	(210)	(215)	(249)	(162)	(216)
Miscellaneous[1]	−88	+73	+8	+39	−108	+93	−4	+35	−168	+149
Total Revenue, National Accounts Basis	**2,143**	**2,526**	**2,456**	**2,684**	**2,402**	**2,733**	**2,662**	**2,834**	**2,654**	**2,932**

[1]See footnote [1] page 1351.

EXPENDITURE:										
Budgetary Expenditure	2,543	1,671	2,081	2,271	2,756	2,018	2,320	2,392	3,104	2,108
Deduct:										
Budgetary transfers to funds and agencies[2]	−191	−90	−175	−133	−200	−159	−125	−153	−245	−88
Post Office expenditure	−71	−53	−60	−71	−83	−61	−71	−78	−91	−67
Deficits of government business enterprises	−55	−5	−7	−10	−46	−9	−13	−14	−49	−11
Reserves and write-offs	−53	−8	−10	−8	−151	−7	−8	−7	−9	−8
Purchase of existing capital assets	−2	−1	−1	−2	−1	−1	−1	−1	−3	−3
Budgetary revenue items offset against budgetary expenditure[3]	−32	−32	−32	−34	−32	−32	−32	−35	−33	−33
	(−404)	(−189)	(−285)	(−258)	(−513)	(−269)	(−250)	(−288)	(−430)	(−210)
Add:										
Extra budgetary funds expenditure										
Old age security benefit payments	249	251	252	254	316	345	335	337	370	374
Unemployment insurance benefits	126	82	38	49	138	102	51	62	174	126
Government pensions	29	32	32	32	33	35	34	35	34	36
Prairie farm emergency payments	5	1	—	1	1	—	—	1	8	—
Expenditure of government funds and agencies[2]	121	90	187	153	178	169	147	146	145	133
Miscellaneous[4]	−317	401	101	46	−301	428	98	31	−399	441
Total Expenditure, National Accounts Basis	**2,352**	**2,339**	**2,406**	**2,548**	**2,608**	**2,828**	**2,735**	**2,716**	**3,006**	**3,008**
Surplus(+) or deficit(−), National accounts basis	−209	+187	+50	+136	−206	−95	−73	+118	−352	−76
Surplus(+) or deficit(−), budgetary basis	−571	+321	−105	−105	−532	+155	−217	−52	−679	+28
Total, National Accounts basis	2,143	2,526	2,456	2,684	2,402	2,733	2,662	2,834	2,654	2,932

(1)These miscellaneous adjustments largely represent revenues from miscellaneous direct and indirect taxes and adjustments for the supplementary period. In the National Accounts, revenues in the supplementary period are shifted into the following fiscal quarter.

(2)In the National Accounts, budgetary appropriations to various funds and agencies are replaced by the outlays actually made by these federal agencies.

(3)The largest components of this item consists of revenue from sales of goods and services by the government. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

(4)This item includes the supplementary period adjustment. In the National Accounts, expenditures on goods and services in the supplementary period are split evenly between adjacent fiscal quarters. Most other expenditure items are shifted entirely to the next fiscal quarter.

SOURCE: DBS, and Department of Finance estimates.

REFERENCE TABLE 36

SUMMARY OF SECURITIES AND CREDIT MARKET BORROWING

1965 to 1968

	1965	1966	1967	12 months ending June 1967	12 months ending June 1968
	(Millions of dollars)				
Government of Canada:[1]					
Market securities	−92	−84	703	860	776
Canada Savings Bonds	253	223	230	346	−117
Total	161	139	933	1,206	659
Provinces[2] and municipalities:					
Securities	992	1,412	1,799	1,628	1,306
Bank loans	198	137	80	127	233
Total	1,190	1,549	1,879	1,755	1,539
Corporations and other [3]					
Bonds	1,031	877	716	762	728
Stocks	336	535	356	325	407
Loans, etc.[4]	1,330	402	755	508	830
Total	2,697	1,814	1,827	1,595	1,965
Mortgages from private sector institutions [5]	1,659	1,134	1,100	776	1,387
Bank loans to persons, farmers and institutions	685	295	649	442	608
Total	**6,392**	**4,931**	**6,388**	**5,774**	**6,158**

[1] Securities held outside Government of Canada accounts.

[2] Excludes securities bought by the Canada Pension Plan and the Quebec Pension Plan.

[3] Consists of non-financial business and Canadian religious and other non-profit institutions.

[4] Includes bank loans in Canadian and foreign currencies, sales finance company loans, IDB and other term loans, commercial paper and bankers' acceptances. Excludes trade payables net of receivables and non-residential mortgages.

[5] Chartered banks, Quebec Savings Banks, Credit Unions and caisses populaires, trust and mortgage loan companies, sales finance and consumer loan companies, life and other insurance companies, trusteed pension plans, mutual and closed-end funds.

SOURCE: Bank of Canada and Department of Finance.

REFERENCE TABLE 37

CHANGES IN MARKET BONDS AND CANADA SAVINGS BONDS OUTSTANDING

1963 to 1968

	1963	1964	1965	1966	1967	12 months ending	
						July 1967	July 1968
	(Millions of dollars)						
New Issues in Canada by:							
Government of Canada—market[1]	350	−270	−87	79	749	905	535
—Canada Savings Bonds	513	480	253	223	230	356	−169
Total	863	210	166	302	979	1,261	366
Provinces and municipalities[2]	1,011	928	724	987	999	1,010	539
Corporations[3]	443	610	1,003	539	737	779	344
Total	2,317	1,748	1,893	1,828	2,715	3,050	1,249
Foreign-Pay Bond Issues:							
Government of Canada	119	−7	−5	−163	−46	−45	241
Provinces and municipalities	285	472	267	424	800	619	767
Corporations[3]	286	205	335	438	104	140	445
Total	690	670	597	699	858	714	1,453
Total Bond Issues	**3,007**	**2,418**	**2,490**	**2,527**	**3,573**	**3,764**	**2,702**
Taken up by:							
Banking system[4]	737	−172	400	130	1,203	1,124	574
Non-bank residents:							
Market bonds	1,067	1,440	1,240	1,475	1,282	1,570	844
Canada Savings Bonds	513	480	253	223	230	356	−169
Holders of Canadian foreign-pay	690	670	597	699	858	714	1,453
Total	3,007	2,418	2,490	2,527	3,573	3,764	2,702

[1] Includes Treasury bills and excludes Government of Canada accounts.

[2] Excludes securities bought by the Canada and Quebec Pension Plans.

[3] Financial and non-financial business corporations.

[4] Bank of Canada plus Chartered Banks.

SOURCE: Bank of Canada and Department of Finance.

REFERENCE TABLE 38

OFFICIAL HOLDINGS OF GOLD AND UNITED STATES DOLLARS

Monthly

1966 to 1968

End of period	Gold	U.S. dollars	Total
	(Millions of U.S. dollars)		
1966—January	1,112.8	1,449.6	2,562.4
February	1,076.5	1,471.1	2,547.6
March	1,085.6	1,424.2	2,509.8
April	1,096.0	1,373.1	2,469.1
May	1,060.7	1,351.5	2,412.2
June	1,024.2	1,317.6	2,341.8
July	986.2	1,329.2	2,315.4
August	996.7	1,284.3	2,281.0
September	1,008.7	1,235.6	2,242.3
October	1,020.5	1,202.7	2,223.2
November	1,033.7	1,208.4	2,242.1
December	1,045.6	1,190.3	2,235.9
1967—January	1,055.9	1,182.3	2,238.2
February	1,069.6	1,124.6	2,194.2
March	1,083.5	1,119.9	2,203.4
April	1,042.3	1,145.9	2,188.2
May	1,052.9	1,141.7	2,194.6
June	1,066.3	1,102.4	2,168.7
July	1,073.5	1,109.1	2,182.6
August	1,085.7	1,112.1	2,197.8
September	1,099.3	1,121.5	2,220.8
October	1,103.8	1,199.6	2,303.4
November	1,110.0	1,166.9	2,276.9
December	1,014.9	1,252.9	2,267.8
1968—January	1,024.8	1,150.5	2,175.3
February	1,026.2	1,463.8	2,490.0
March	976.1	1,268.3	2,244.4
April	976.1	1,439.5	2,415.6
May	926.3	1,768.7	2,695.0
June	926.3	1,647.7	2,574.0
July	926.3	1,588.3	2,514.6
August	926.3	1,663.2	2,589.5
September	863.1	1,671.0	2,534.1

SOURCE: Department of Finance.

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REFERENCE TABLE 39

MORTGAGE LOAN APPROVALS[1]

1962 to 1968

	Private Lending Institutions								CMHC[4]	Total Private and Public
	Conventional Mortgages			NHA	Total Private Lending	of which				
	Non-Residential	Residential				Banks	Life Cos.	Trust Cos., etc.[3]		
		Existing[2]	New							
	(Millions of dollars)									
1962–1964 Average	397	476	638	383	1,894	3	900	991	313	2,207
1965	581	749	902	320	2,552	6	1,158	1,388	513	3,065
1966	382	471	574	191	1,618	—	804	814	593	2,211
1967	369	655	744	356	2,124	253	800	1,071	737	2,861
1967 1Q	80	101	133	187	501	15	180	306	59	560
2Q	107	210	249	32	598	58	221	319	405	1,003
3Q	93	202	193	46	534	75	220	239	191	725
4Q	89	142	169	90	490	105	178	207	81	571
1968 1Q	98	127	243	188	656	88	261	307	84	740
2Q	74	143	236	205	658	82	237	339	90	748
12 months ending:										
June 1967	352	501	610	278	1,741	73	711	957	910	2,651
June 1968	354	614	841	529	2,338	350	896	1,092	446	2,784

(1) Data are on a gross basis, i.e., they do not necessarily take account of cancellations or alterations of loans after initial approval.

(2) Includes data on farm property.

(3) Includes loan and trust companies, Quebec saving banks, fraternal and mutual benefit societies.

(4) Includes student housing.

SOURCE: Central Mortgage and Housing Corporation.

REFERENCE TABLE 40

CHANGES IN CONSUMER CREDIT OUTSTANDING

1962 to 1968

—	1962	1963	1964	1965	1966	1967	12 months ending		Amount Outstanding May 31, 1968
							May 1967	May 1968	
	(Millions of dollars)								
Chartered banks	153	249	361	448	217	519	307	546	3,209
Sales finance companies	44	73	161	96	53	−47	25	−9	1,155
Consumer loan companies	120	96	94	139	120	153	104	163	1,369
Quebec Savings Banks	4	1	1	1	—	1	—	2	18
Life insurance companies	14	13	13	13	39	29	40	45	506
Retail dealers[1]	27	33	55	67	38	10	24	—	755
Total	362	465	685	764	467	665	500	747	7,012

[1]Includes department stores, furniture and appliance dealers and the instalment credit of motor vehicle dealers.

SOURCE: Bank of Canada, Department of Insurance, Department of Finance and DBS.

REFERENCE TABLE 41

SELECTED SOURCES OF FINANCING BY NON-FINANCIAL CORPORATE BUSINESS

1965 to 1968

—	1965	1966	1967	12 months ended June 1967	12 months ended June 1968
	(Millions of dollars)				
Changes in:					
Chartered bank loans in Canadian dollars[1]	655	396	704	449	759
Chartered bank loans to residents in foreign currencies	258	98	−95	−58	−56
Sales finance co. loans	318	−213	64	−49	180
Other term loans	53	61	44	57	41
Sub-total	1,284	342	717	399	924
Net new issues of:					
Commercial paper and bankers' acceptances[2]	46	60	38	109	−94
Bonds	1,031	877	716	762	728
Stocks	336	535	356	325	407
Sub-total	1,413	1,472	1,110	1,196	1,041
Total	2,697	1,814	1,827	1,595	1,965

[1] Change in total business loans excluding provincially-guaranteed bank loans to public utilities, transportation and communications corporations.

[2] For the first half of 1967 and 1968, bankers' acceptances are January to July.

SOURCE: Bank of Canada.

REFERENCE TABLE 42

DETAILS OF NEW ISSUES AND RETIREMENTS OF GOVERNMENT OF CANADA DIRECT AND GUARANTEED MARKETABLE BONDS FROM JANUARY 1, 1967 TO AUGUST 31, 1968

(Millions of dollars par value)

Date	Retirements	Amount	New Bonds	Amount Delivered	Net Change in Amount Outstanding	Term of New Bonds	Yield to Maturity
1967							
January 2	CNR 2¾% Jan. 2, 1967	50			−50		
February 1			5¼% Oct. 1, 1975	70		8 yrs. 8 mos.	5.70
			5¼% Aug. 1, 1980	30		13 yrs. 6 mos.	5.71
			5¼% Sept. 1, 1992	50		25 yrs. 7 mos.	5.69
				150	+150		
April 1	4% Apr. 1, 1967	170	4¼% Apr. 1, 1968	175		1 yr.	4.66
	4¼% Apr. 1, 1967	155	5% Oct. 1, 1973	200		6 yrs. 6 mos.	5.21
			5¼% May 1, 1990	125		23 yrs. 1 mo.	5.48
		325		500	+175		
April 1	CNR 4½% Apr. 1, 1967	72			−72		
April 15	5% Oct. 15, 1987[1]	3			−3		
June 1	4¼% June 1, 1967	325	4½% June 15, 1968	160		1 yr. ½ mo.	4.60
			5% July 1, 1970	100		3 yrs. 1 mo.	5.09
			5½% Dec. 1, 1974	100		7 yrs. 6 mos.	5.67
				360	+35		
August 1			5% Oct. 1, 1968	20		1 yr. 2 mos.	5.44
			5½% Apr. 1, 1969	70		1 yr. 8 mos.	5.56
			6% Dec. 15, 1971	85		4 yrs. 4½ mos.	6.06
				175	+175		
October 1	3¾% Oct. 1, 1967	350	4¾% Dec. 15, 1968	125		1 yr. 2⅓ mos.	5.61
	4¼% Oct. 1, 1967	175	5½% Dec. 15, 1969	175		2 yrs. 2½ mos.	5.86
			6% Apr. 1, 1971[2]	225		3 yrs. 6 mos.	6.00
		525		525	—		

October 15	5% Oct. 15, 1987[1]	3			−3		
December 1	4¼% Jan. 15, 1968	77	6¼% Dec. 1, 1973[3]	225		6 yrs.	6.35
	5¼% Jan. 15, 1968	28					
		105		225	+120		
December 1	2¾% Sept. 1, 1974[4]	16					
	2¾% Sept. 15, 1975[4]	11					
	5% Oct. 15, 1987[4]	173					
		200			−200		
December 29	CNR 5½% Dec. 15, 1971	3					
	CNR 5¾% Jan. 1, 1985	1					
	CNR 5% Oct. 1, 1987	2					
		6			−6		
	Total (Calendar 1967)	**1,614**		**1,935**	**+321**		
1968							
January 15	4¼% Jan. 15, 1968	303	6% Feb. 15, 1970	250		2 yrs. 1 mo.	6.20
	5½% Jan. 15, 1968	97	6% Dec. 15, 1971	200		3 yrs. 11 mos.	6.44
		400		450	+50		
	Total (Fiscal 1967-68)	**1,964**		**2,235**	**+271**		
April 1	4½% Apr. 1, 1968	175	5½% Apr. 1, 1969	60		1 yr.	7.03
	2¾% June 15, 1968	24	7% Apr. 1, 1973	215[5]		5 yrs.	7.30
	4½% June 15, 1968	25					
	5% Oct. 1, 1968	26					
	4¾% Dec. 15, 1968	25					
		275		275	−		
April 3	5½% Aug. 1, 1980[6]	9			−9		
April 15	5% Oct. 15, 1987[7]	1			−1		

REFERENCE TABLE 42 (Continued)

DETAILS OF NEW ISSUES AND RETIREMENTS OF GOVERNMENT OF CANADA DIRECT AND GUARANTEED MARKETABLE BONDS FROM JANUARY 1, 1967 TO AUGUST 31, 1968

(Millions of dollars par value)

Date	Retirements	Amount	New Bonds	Amount Delivered	Net Change in Amount Outstanding	Term of New Bonds	Yield to Maturity
May 15	CNR 5% May 15, 1968	56	5¼% May 15, 1970	35	−56	2 yrs.	5.75
			5¼% May 15, 1971	36		3 yrs.	5.87
			6% May 15, 1972	37		4 yrs.	6.00
				108[8]	+108		
May 24			6¾% June 1, 1973	68[9]	+68	5 yrs. 7 days	6.87
June 1			6⅞% June 1, 1988	78[10]	+78	20 yrs.	6.90
June 15	2¾% June 15, 1968	285	6¾% July 1, 1969	75		1 yr. ½ mo.	7.00
	4½% June 15, 1968	135	7% Oct. 1, 1970	275		2 yrs. 3½ mos.	7.11
	5% Oct. 1, 1968	75	7% June 15, 1974	250[11]		6 yrs.	7.26
		495		600	+105		
August 1			6¼% Dec. 15, 1969	35		1 yr. 4½ mos.	6.65
			6¾% Oct. 1, 1970	105		2 yrs. 2 mos.	6.75
			7% Apr. 1, 1973	260[12]		4 yrs. 8 mos.	7.00
				400	+400		
	Total (Fiscal year 1968-69 to August 1)	**836**		**1,529**	**+693**		

(1) U.S.-pay issue subject to partial redemption at par for the sinking fund on each interest payment date, commencing April 15, 1965, in a principal amount of U.S. $2.5 million.
(2) Exchangeable on or before April 1, 1970 into equal par value 6% bonds due October 1, 1993.
(3) Exchangeable on or before December 1, 1972 into equal par value 6¼% bonds due December 1, 1994.
(4) U.S.-pay issues.
(5) $100 million 7% bonds exchanged directly with Bank of Canada for bonds maturing in 1968.
(6) Subject to purchase fund.
(7) U.S. pay issue subject to partial redemption for sinking fund on prorated basis following partial retirement of issue on December 1, 1967.
(8) Payable in Italian Lire and placed directly with Italian Exchange Office.
(9) Payable in German Marks and offered in Europe through Deutsche Bank.
(10) U.S. pay issue in principal amount U.S. $100 million, subject to delayed delivery contracts.
(11) $75 million 7% due 1974 exchanged directly with Bank of Canada for bonds maturing in 1968.
(12) $100 million 7% due 1973 exchanged directly with Bank of Canada for bonds maturing in 1968 and since cancelled.
SOURCE: Department of Finance.

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REFERENCE TABLE 43

SUMMARY OF BALANCE OF PAYMENTS

1963 to 1968

(Not seasonally adjusted)

	1963	1964	1965	1966	1967	1966				1967				1968	
						1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)														
Merchandise trade balance	+503	+701	+118	+224	+481	+10	−49	+223	+40	+98	+6	+86	+291	+236	+362
Deficit on non-merchandise transactions[1]	−1,178	−1,270	−1,386	−1,513	−1,136	−431	−360	−222	−500	−464	−314	+90	−448	−508	−388
Current account balance[1]	−675	−569	−1,268	−1,289	−655	−421	−409	+1	−460	−366	−308	+176	−157	−272	−26
Gold production available for export	+154	+145	+138	+127	+112	+34	+29	+32	+32	+32	+28	+26	+26	+33	+29
Capital movements—inflows (+) outflows (−):															
Long-term forms	+637	+820	+864	+1,061	+1,339	+465	+214	+239	+143	+277	+256	+301	+505	+95	+697
Short-term forms	+30	−33	+423	−258	−778	−216	+49	−357	+266	+44	−30	−447	−345	−621	−80
	+146	+363	+157	−359	+18	−138	−117	−85	−19	−13	−54	+56	+29	−765	+620
Increase (+) or decrease (−) in official holdings of gold and foreign exchange	+60	+86	−11	−462	+34	−166	−181	−105	−10	−35	−37	+55	+51	−23	+355
Net International Monetary Fund position	+86	+277	+168	+103	−16	+28	+64	+20	−9	+22	−17	+1	−22	−471	+130
Reciprocal swap facility with Federal Reserve System	—	—	—	—	—	—	—	—	—	—	—	—	—	−271	+135
	+146	+363	+157	−359	+18	−138	−117	−85	−19	−13	−54	+56	+29	−765	+620

[1] Excluding gold production available for export.

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 44
INTERNATIONAL PAYMENTS: CAPITAL MOVEMENTS
1963 to 1968

(Not seasonally adjusted)

—	1963	1964	1965	1966	1967	1966		1967				1968	
						3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)												
Direct investment in Canada	+280	+270	+535	+710	+620	+151	+222	+138	+164	+143	+175	+5	+190
Direct investment abroad	−135	−95	−125	−5	−90	+80	−34	−30	−7	−25	−28	−85	+15
Canadian securities:—													
Trade in outstanding bonds and debentures	+39	+77	+55	−104	−56	−52	−15	−10	−22	−10	−14	−53	−11
Trade in outstanding common and preference stocks	−170	−98	−274	−136	+12	−34	−44	−53	−17	+30	+52	+15	+34
New issues	+984	+1,100	+1,240	+1,465	+1,300	+303	+228	+317	+291	+274	+418	+408	+711
Retirements	−404	−382	−390	−499	−338	−87	−131	−58	−131	−48	−101	−126	−119
Foreign securities (total)	+22	−52	−85	−401	−418	−103	−93	−74	−70	−142	−132	−69	−119
Loans and capital subscriptions by Government of Canada:													
Advances, etc	−18	−10	−14	−35	−38	−9	−17	−3	−3	−9	−23	−10	−8
Repayments to Canada	+25	+10	+10	+24	+34	+1	+19	+11	+2	+1	+20	+2	+2
Columbia River Treaty, net	—	+54	+32	+32	+44	—	+32	—	—	—	+44	—	—
Long-term capital transactions not included elsewhere	+14	−54	−120	+10	+269	−11	−24	+39	+49	+87	+94	+8	+2
Change in certain Canadian assets of foreigners:													
Canadian dollar deposits	+43	+28	+31	+10	+24	+21	+12	+48	−59	+7	+28	+7	−2
Government of Canada demand liabilities	+1	—	+2	+5	−4	+5	+8	−6	−7	−2	+11	−4	−3
Canadian Treasury bills	−27	−16	+12	−15	+4	+2	−9	+15	+8	−17	−2	+23	+1
Canadian commercial paper	−23	−11	+10	—	+11	+12	+5	−6	+5	+1	+11	+7	−17
Canadian finance paper	+93	+196	−162	−4	−54	−55	+29	+7	−24	−55	+18	−61	−38
Canadian finance company obligations not included elsewhere	+35	+52	+209	+154	+34	+44	+87	−17	+11	−31	+71	−7	−6
Bank balances and other short-term funds abroad	−258	−528	+138	−601	−286	−317	−97	+332	+44	−311	−351	−126	+49

All other transactions	+166	+246	+183	+193	−507	−69	+231	−329	−8	−39	−131	−460	−64
Net capital movements excluding monetary items shown below	**+667**	**+787**	**+1,287**	**+803**	**+561**	**−118**	**+409**	**+321**	**+226**	**−146**	**+160**	**−526**	**+617**
Official monetary movements in the form of:													
Change in official holdings of gold and foreign exchange	+60	+86	−11	−462	+34	−105	−10	−35	−37	+55	+51	−23	+355
Change in net International Monetary Fund position	+86	+277	+168	+103	−16	+20	−9	+22	−17	+1	−22	−471	+130
Other special international financial assistance	—	—	—	—	—	—	—	—	—	—	—	−271	+135

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

29180—87½

REFERENCE TABLE 45

NET PROCEEDS FROM NEW ISSUES OF CANADIAN BONDS AND DEBENTURES TO NON-RESIDENTS

1965 to 1968

(Not seasonally adjusted)

—	1965	1966	1967	1966				1967				1968	
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)												
New Issues:													
Government of Canada (incl. guaranteed)	28	32	20	4	10	12	6	3	4	4	9	4	255
Provincial government (incl. guaranteed)	297	448	760	126	168	95	59	217	242	118	183	240	180
Municipal government	84	177	163	60	52	5	60	56	6	52	49	46	33
Corporations (incl. railroads)	807	751	312	341	124	187	99	30	31	93	158	109	233
Total	1,216	1,408	1,255	531	354	299	224	306	283	267	399	399	701
Retirements:													
Government of Canada (incl. guaranteed)	85	203	95	54	80	43	26	3	63	—	29	11	29
Provincial government (incl. guaranteed)	31	65	61	24	15	13	13	22	24	5	10	21	18
Municipal government	53	96	53	13	16	11	56	11	12	8	22	16	11
Corporations (incl. railroads)	214	131	129	24	53	18	36	22	32	35	40	78	61
Total	383	495	338	115	164	85	131	58	131	48	101	126	119
Total Net Proceeds:													
Government of Canada (incl. guaranteed)	−57	−171	−75	−50	−70	−31	−20	—	−59	4	−20	−7	226
Provincial government (incl. guaranteed)	266	383	699	102	153	82	46	195	218	113	173	219	162
Municipal government	31	81	110	47	36	−6	4	45	−6	44	27	30	22
Corporations (incl. railroads)	593	620	183	317	71	169	63	8	−1	58	118	31	172
Total	833	913	917	416	190	214	93	248	152	219	298	273	582

SOURCE: DBS *Sales and Purchases of Securities between Canada and Other Countries*, Monthly, Cat. 67-002.

REFERENCE TABLE 46
CANADIAN CHARTERED BANKS' HEAD OFFICES AND BRANCHES IN CANADA
NET CHANGES IN FOREIGN CURRENCY POSITION[1]
1965 to 1968
(Not seasonally adjusted)

—	1965	1966	1967	1966				1967				1968[2]	
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)												
With U.S. residents:													
Assets	−207	208	273	−183	−69	165	295	−366	116	254	269	−224	205
Liabilities	−727	−309	76	−156	−71	−78	−4	12	7	−103	160	−98	38
Net	520	517	197	− 27	2	243	299	−378	109	357	109	−126	167
Other non-residents:													
Assets	−441	−2	375	−54	−42	−42	136	3	165	−104	311	223	26
Liabilities	505	48	188	−205	−28	−70	351	−123	215	21	75	48	197
Net	−946	−50	187	151	− 14	28	−215	126	−50	−125	236	175	−171
Total non-residents:													
Assets	−648	206	648	−237	−111	123	431	−363	281	150	580	−1	231
Liabilities	−222	−261	264	−361	−99	−148	347	−111	222	−82	235	−50	236
Net claims (c)	−426	467	384	124	−12	271	84	−252	59	232	345	49	−5
With Canadian residents:													
Assets (b)	276	84	−102	66	5	−11	24	−19	−73	−1	−9	−29	−22
Liabilities (a)[1]	−107	401	364	180	63	208	−50	−189	−31	146	438	35	−90
(of which Swapped deposits)	(−170)	(187)	(165)	(187)	(31)	(136)	(−167)	(−145)	(−11)	(88)	(233)	(−164)	(−161)
Net	383	−317	−466	−114	−58	−219	74	170	−42	−147	−447	−64	68
Changes in banks' own net position (a)[2]	−43	150	−82	10	−70	52	158	−82	17	85	−102	−15	63

[1] Adjusted for variations in exchange rates.
[2] Takes no account of changes in gold held by chartered banks, formerly treated as a U.S. asset.

Balance of payments effects:
(a)[1] + (a)[2] with sign reversed, is major component of D.17.1, "bank balances and other short-term funds abroad", as follows:

−[(a)[1] + (a)[2]]:	150	−551	−282	−190	7	−260	−108	271	14	−231	−344	−20	27
D.17.1:	138	−601	−323	−171	−16	−317	−97	332	44	−311	−351	−126	49

(b) is divided between D.17.5 and D.13, respectively short and long-term residual capital items.
(c) with sign reversed is net balance of payments effect of banks' foreign currency operations.
SOURCE: Department of Finance.

REFERENCE TABLE 47

FINANCING OF CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES

1965 to 1968

(Not seasonally adjusted)

—	1965	1966	1967	1966				1967				1968	
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)												
Transactions with U.S. (excluding international financial agencies):													
Current account deficit (excl. gold)	−2,075	−2,157	−1,491	−624	−634	−223	−676	−614	−548	+27	−356	−484	−310
Capital inflow from U.S.	+437	+1,059	+336	+533	+270	+40	+216	+383	+49	−241	+145	−370	+205
Net amount to be financed by other transactions	**−1,638**	**−1,098**	**−1,155**	**−91**	**−364**	**−183**	**−460**	**−231**	**−499**	**−214**	**−211**	**−854**	**−105**
Other transactions:													
Current account surplus with rest of world	+807	+868	+836	+203	+225	+224	+216	+248	+240	+149	+199	+212	+284
Net capital movement from (+) or to (−) rest of world	+850	−256	+225	−284	−7	−158	+193	−62	+177	+95	+15	−156	+412
New gold production available for export.	+138	+127	+112	+34	+29	+32	+32	+32	+28	+26	+26	+33	+29
Increase (−) in Canadian holdings of gold and foreign exchange	+11	+462	−34	+166	+181	+105	+10	+35	+37	−55	−51	+23	−355
Change in Canada's position with the International Monetary Fund[1]	−168	−103	+16	−28	−64	−20	+9	−22	+17	−1	+22	+471	−130
Reciprocal swap facility with Federal Reserve System	—	—	—	—	—	—	—	—	—	—	—	+271	−135
Total financing	**+1,638**	**+1,098**	**+1,155**	**+91**	**+364**	**+183**	**+460**	**+231**	**+499**	**+214**	**+211**	**+854**	**+105**

[1]Improvement (−) in Canadian position represents net provision of resources by Canada to the IMF.

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 48

CANADA'S RESERVE POSITION WITH THE INTERNATIONAL MONETARY FUND

1961 to 1968

	1961	1962	1963	1964	1965	1966	1967	1968	
								1Q	2Q
	(Millions of U.S. dollars)								
Increase in gold subscription (+)	—	—	—	—	—	47.5	—	—	—
Drawings by Canada (−)	—	−300.0	—	—	—	—	—	−426.0[2]	—
Repurchases (repayments of drawings) by Canada (+)	—	—	79.7	166.0	—	—	—	—	—
Net Fund sales (+) or repurchases (−) of Canadian dollars to or from third countries	84.6	−50.3	—	99.0	183.4	47.6	−15.1	−7.3	121.0
Fund sales of gold for Canadian dollars (−)	−25.0	—	—	−9.0	−27.5	—	—	—	—
Reserve position at end of period[1]	**212.1**	**−138.2**	**−58.5**	**197.5**	**353.4**	**448.5**	**433.4**	**0.1**	**121.1**

NOTE: Fund borrowing under the General Arrangements to Borrow (GAB) does not affect the reserve position.

[1]A negative figure indicates the amount by which the credit tranche position falls short of the quota.

[2]Includes the Fund's repayment of its 1965 borrowing from Canada ($35 million).

SOURCE: IMF *International Financial Statistics*, monthly.

PART II

REVIEW OF GOVERNMENT ACCOUNTS 1967-68

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PART II
REVIEW OF GOVERNMENT ACCOUNTS
1967-68

INTRODUCTION

This Part of the Budget Papers presents in summary form a review of the accounts of the Government of Canada for the fiscal year 1967–68. The fiscal year of the government ends on March 31 but the books must remain open for some time after that date to record various adjusting entries.

HIGHLIGHTS OF THE GOVERNMENT'S FINANCIAL OPERATIONS DURING 1967–68

This section outlines the financial operations of the government in 1967–68 giving a brief summary of the budgetary and non-budgetary transactions, the unmatured debt transactions and the changes in the cash position and the debt position during the fiscal year. More detailed explanations are given in subsequent sections of this review.

The following table summarizes the budgetary and non-budgetary transactions for 1967–68 with comparative figures for 1966–67 and indicates how these transactions affected the government's cash balances.

TABLE 1
(in millions of dollars)

Summary of Budgetary and Non-Budgetary Transactions and Changes in Cash Position	Fiscal year ended March 31			
	1968 (preliminary)		1967	
	$		$	
Budgetary transactions—				
Revenue—				
Tax	8,017		7,440	
Non-tax	1,060		918	
	9,077		*8,358*	
Expenditure—				
Defence	1,813		1,696	
Non-defence	8,056		7,084	
	9,869		*8,780*	
Deficit (−)		−792		−422
Non-budgetary transactions (excluding unmatured debt transactions)				
Receipts and credits—				
Net annuity, insurance and pension accounts receipts	465		931	
Repayment of advances to exchange fund account	322		341	
Canada pension plan account	672		592	
Investments in United States dollar securities issued by other than the Government of Canada	57		7	
Increase in non-interest-bearing notes payable on demand	450		111	
Repayment of loans, investments and advances			37	
Other	449		437	
	2,415		*2,456*	
Disbursements and charges—				
Canada pension plan investment fund	665		581	
Loans, investments and advances	1,476		1,564	
Other	69		420	
	2,210		*2,565*	
Net amount available from or required for (−) non-budgetary transactions		205		−109
Overall cash requirement to be financed by increase in unmatured debt or decrease in cash balances		−587		−531
Net increase in unmatured debt outstanding in hands of the public		788		711
Net increase in Receiver General bank balances		201		180

Note: In 1967–68 a change in practice was introduced whereby revenues arising from Royal Canadian Mounted Police expenditures were credited thereto. For purposes of comparison the 1966–67 figures have been adjusted.

Budgetary transactions

The budgetary revenue, expenditure and deficit as forecast in the budget speech of June 1, 1967, the revised figures as forecast on November 30, 1967 and the actual figures are shown in the following table:

TABLE 2
(in millions of dollars)

Budgetary Transactions for Fiscal Year 1967–68	Budget forecast June 1, 1967	Revised forecast November 30, 1967	Actual (preliminary)	Increase or decrease (−) compared with November 30, 1967 forecast	
				Amount	Per cent
Revenue	8,960	9,115	9,077	−38	0.42
Expenditure	9,700	9,900	9,869	−31	0.31
Deficit	740	785	792	7	

Revenue

Budgetary revenue of the government amounted to $9,077 million for 1967–68. This was $38 million or about half of one per cent less than the revised figure of $9,115 million forecast on November 30, 1967 and $719 million or 9 per cent more than the total collected in 1966–67.

Tax revenue accounted for $577 million of the increase and non-tax revenue accounted for $142 million of the increase over 1966–67 receipts.

The yield from the income taxes was $470 million higher and from sales tax $88 million higher than in 1966–67.

Expenditure

Budgetary expenditure amounted to $9,869 million, $31 million or approximately one third of one per cent less than the revised figure of $9,900 million forecast on November 30, 1967 and $1,089 million or 12 per cent higher than expenditure in 1966–67.

Defence expenditure of $1,813 million was 18 per cent of total budgetary expenditure compared with $1,696 million or 19 per cent in 1966–67 and was again the largest category.

Civil or non-defence expenditure was $8,056 million compared with $7,084 million in 1966–67, an increase of $972 million. The main changes were increases of $222 million in fiscal, subsidy and other payments to provinces, $110 million in public debt charges, $71 million in the government's contributions to the provinces under the Hospital Insurance and Diagnostic Services Act and $51 million in the net operating loss of the agricultural stabilization board. Payments to provinces under the Canada assistance plan increased by $215 million in 1967–68, offset by a decrease of $137 million in respect of unemployment assistance. In addition to the above increases, expenditures of $106 million were made in respect of the new adult occupational training program for which there was no comparable expenditure in the previous fiscal year.

Deficit

On the basis of these preliminary figures, expenditures of $9,869 million exceeded revenues of $9,077 million resulting in a deficit of $792 million compared with a deficit of $785 million as forecast on November 30, 1967 and a deficit of $422 million in 1966–67.

Non-budgetary transactions (excluding unmatured debt transactions)

Non-budgetary transactions are those which increase or decrease the government's asset and liability accounts and do not enter into the calculation of the annual budgetary surplus or deficit.

In 1967–68 net receipts and credits of $2,415 million exceeded net disbursements and charges of $2,210 million, resulting in a net receipt of $205 million. In 1966–67 net disbursements and charges totalled $2,565 million and net receipts and credits totalled $2,456 million, resulting in a net requirement of $109 million.

Old age security fund

Receipts by the fund during 1967–68 of $1,495 million exceeded payments of $1,388 million by $107 million. In 1966–67 receipts were $1,285 million and payments were $1,073 million.

The transactions in the fund during 1967–68 compared with those for 1966–67 were as follows:

	Fiscal year ended March 31	
	1968 (preliminary)	1967
	(in millions of dollars)	
Balance in fund at April 1	429	217
Receipts—		
Sales tax	545	559
Personal income tax	800	577
Corporation income tax	150	149
	1,924	1,502
Disbursements—		
Pension payments	−1,388	−1,073
Balance in fund at March 31	536	429

Canada pension plan account

Receipts during 1967–68 were $685 million and disbursements were $13 million. In 1966–67 receipts were $600 million and disbursements were $8 million.

The transactions in the account during 1967–68 compared with those in 1966–67 were as follows:

	Fiscal year ended March 31	
	1968 (preliminary)	1967
	(in millions of dollars)	
Balance at April 1	681	89
Receipts	685	600
Disbursements	−13	−8
Balance at March 31	1,353	681

At March 31, 1968 the balance in the account consisted of an operating balance of $72 million on deposit with the government and provincial securities, purchased on instructions from the provinces, in the amount of $1,275 million and Government of Canada securities in the amount of $6 million recorded in the Canada pension plan investment fund.

Unmatured debt transactions

Unmatured debt transactions in 1967–68 reflected an increase of $788 million in unmatured debt outstanding in the hands of the public compared with an increase of $711 million in 1966–67.

Change in cash position

Receiver General bank balances in current deposits were $201 million more at March 31, 1968 than at March 31, 1967. This is the amount by which the increase of $788 million in outstanding unmatured debt plus the net receipt of $205 million from non-budgetary transactions exceeded the budgetary deficit of $792 million.

Change in debt position

As a result of budgetary and non-budgetary transactions the gross liabilities increased by $2,586 million to $32,926 million at March 31, 1968, net recorded assets increased by $1,794 million to $16,169 million and net debt increased by $792 million to $16,757 million.

	Fiscal year ended March 31		
	1968 (preliminary)	1967	Increase or decrease (−)
	(in millions of dollars)		
Gross liabilities	32,926	30,340	2,586
Less net recorded assets	16,169	14,375	1,794
Net debt	16,757	15,965	792

THE BUDGETARY ACCOUNTS

Total budgetary revenue was $9,077 million in 1967–68, budgetary expenditure was $9,869 million and the budgetary deficit was $792 million.

In 1967–68 a change in practice was introduced whereby revenues arising from Royal Canadian Mounted Police expenditures were credited thereto. This revenue totalled $31 million in 1967–68.

The figures shown in the following table for prior years have not been changed to reflect the effect of this new practice.

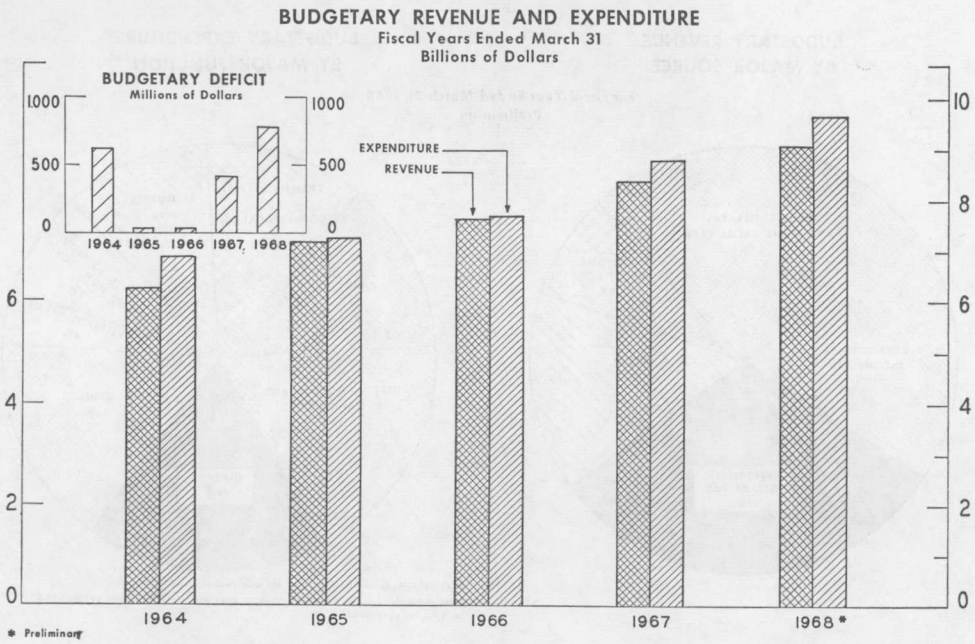


TABLE 3

BUDGETARY REVENUE, EXPENDITURE AND DEFICIT

(in millions of dollars)

Fiscal year ended March 31	Budgetary revenue	Budgetary expenditure	Deficit
1959	4,754.7	5,364.0	−609.3
1960	5,289.8	5,702.9	−413.1
1961	5,617.7	5,958.1	−340.4
1962	5,729.6	6,520.6	−791.0
1963	5,878.7	6,570.3	−691.6
1964	6,253.2	6,872.4	−619.2
1965	7,180.3	7,218.3	−38.0
1966	7,695.8	7,734.8	−39.0
1967	8,376.2	8,797.7	−421.5
1968 (preliminary)	9,076.6	9,869.0	−792.4

REVENUE

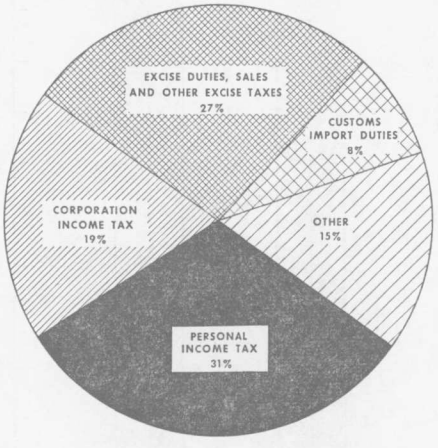
Budgetary revenue in 1967–68 was $9,077 million, $719 million or 9 per cent over the total of $8,358 million received in 1966–67. Tax revenue at $8,017 million accounted for 88 per cent of the total revenue for the fiscal year and non-tax revenue at $1,060 million accounted for 12 per cent.

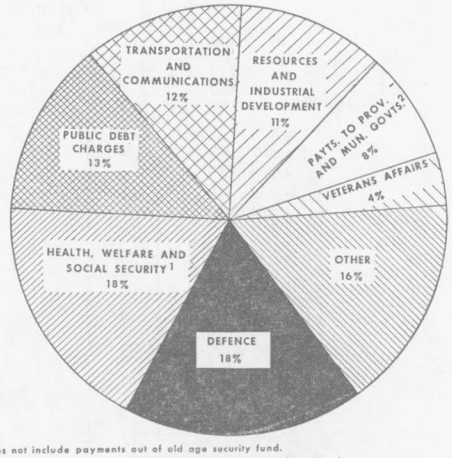
The more important items were increases of $376 million in personal income tax collections, $88 million in sales tax receipts, $77 million in corporation income taxes and $93 million in return on investments.

BUDGETARY REVENUE BY MAJOR SOURCE

BUDGETARY EXPENDITURE BY MAJOR FUNCTION

For Fiscal Year Ended March 31, 1968
Preliminary





1. Does not include payments out of old age security fund.
2. Does not include these payments made to provincial and municipal governments for specific purposes.

TABLE 4

BUDGETARY REVENUE BY MAJOR SOURCES

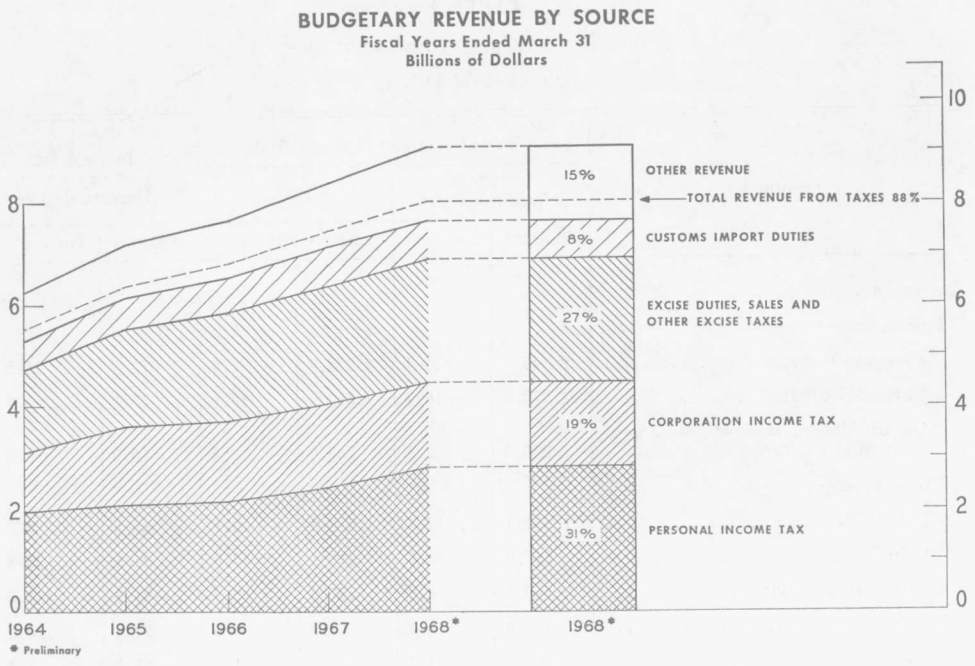
(in millions of dollars)

SOURCE	Fiscal year ended March 31				Increase or decrease (−)	
	1968 (preliminary)		1967			
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Tax revenue—						
Income tax—						
Personal[1]	2,849.6	31.4	2,473.8	29.6	375.8	15.2
Corporation[1]	1,670.6	18.4	1,593.2	19.1	77.4	4.9
On dividends, interest, etc., going abroad	220.5	2.4	203.6	2.4	16.9	8.3
Excise taxes—						
Sales[1][2]	1,601.1	17.7	1,513.6	18.1	87.5	5.8
Other	337.0	3.7	315.6	3.8	21.4	6.8
Customs import duties	746.4	8.2	777.6	9.3	−31.2	−4.0
Excise duties	488.6	5.4	461.0	5.5	27.6	6.0
Estate tax	102.2	1.1	101.1	1.2	1.1	1.1
Other taxes	0.3		0.2		0.1	50.0
	8,016.3	*88.3*	*7,439.7*	*89.0*	*576.6*	*7.8*
Non-tax revenue—						
Return on investments	612.3	6.8	519.1	6.2	93.2	18.0
Post office—net postal revenue	281.6	3.1	253.3	3.0	28.3	11.2
Other non-tax revenue	166.4	1.8	146.1	1.8	20.3	13.9
	1,060.3	*11.7*	*918.5*	*11.0*	*141.8*	*15.4*
Total budgetary revenue[3]	9,076.6	100.0	8,358.2	100.0	718.4	8.6

	1967–68	1966–67
[1]Excluding credits to:		
The old age security fund—		
Personal income tax	800.1	576.6
Corporation income tax	150.0	149.5
Sales tax	544.5	559.5
	1,494.6	1,285.6

[2]Net after deduction of refunds and drawbacks.

[3]Solicitor General vote 15, Appropriation Act No. 3, 1967 gave authority to credit thereto revenue arising from services provided thereunder. For purposes of comparison the 1966–67 total has been adjusted.



TAX REVENUE

Federal-provincial fiscal arrangements

Under fiscal arrangements, that became operative in 1962, the federal government withdrew in part from the field of direct taxation and left the vacated area to the provinces. The federal government offered to collect the provincial income taxes without charge provided that provincial personal income tax was expressed as a percentage of federal personal income tax otherwise payable and provincial corporation income tax applied to taxable income calculated in the same way as for federal income tax purposes. To allow for the imposition of the provincial income taxes, the Income Tax Act was amended to abate the federal income tax otherwise payable by individuals in all provinces by 24 per cent in 1966 and 28 per cent in 1967 and 1968. For 1966 the abatements of federal income tax otherwise payable in the Province of Quebec was 47 per cent; for 1967 and 1968, the corresponding abatement was 50 per cent. These higher abatements for Quebec are in compensation of the fact that the payment of youth allowances and the full cost of certain programs which are supported jointly by federal and provincial governments in the other provinces have been assumed by that province. For the year 1966 the federal corporation income tax rates were abated by 9 percentage points for taxable income earned in a province other than Quebec and by 10 percentage points for taxable income earned in Quebec. For 1967 and 1968 the corresponding abatement was 10 per cent for all provinces. The federal government has entered into tax-collection agreements under which it collects the provincial personal income taxes of all provinces except Quebec and the provincial corporation income taxes of all provinces except Ontario and Quebec.

Under these collection agreements, payments are made monthly to each province based on an estimate of that province's tax revenue. When the actual amounts of assessed returns are established, usually in the month of December following the end of the fiscal year, adjustments are made with the provinces.

Under the present fiscal arrangements, the federal government agreed to abate its estate tax by 50 per cent in the fiscal years 1962–63 and 1963–64, and by 75 per cent thereafter, in any province that imposed its own succession duties. To a province that did not wish to re-enter the succession duty field the federal government agreed to pay 50 per cent of the federal estate tax revenue in 1962–63 and 1963–64 and 75 per cent thereafter. During 1962–63, Quebec and Ontario collected their own succession duties while the other provinces received a payment in lieu of imposing duties. Starting in 1963–64 British Columbia joined Ontario and Quebec in imposing its own succession duties. When the estate tax abatement was raised to 75 per cent in 1964–65, British Columbia increased its succession duty rates accordingly but Quebec and Ontario preferred to take in lieu of the extra abatement a payment equivalent to 25 per cent of the federal estate tax in those provinces. This arrangement also carried into 1965–66, 1966–67 and 1967–68.

Tax on personal income

In 1967–68 personal income tax was again the largest source of government revenue. Its yield (excluding the old age security tax) was $2,850 million or 31 per cent of all budgetary revenue compared with $2,474 million or 30 per cent in 1966–67. The increase of $376 million was due mainly to a higher level of personal incomes in 1967–68 and partly due to a temporary surtax of 3 per cent on the basic tax in excess of $200. This temporary surtax applied in respect of tax imposed on 1968 and 1969 income.

In addition to the federal revenue, $961 million was allocated to the provincial tax collection agreements account under the terms of federal-provincial fiscal arrangements compared with $697 million in 1966–67.

The tax on personal incomes levied under the Old Age Security Act and credited to the old age security fund was $800 million compared with $576 million in 1966–67. This increase of $224 million was due in part to higher levels of personal income in 1967–68 and in part to the fact that the maximum amount payable on account of this levy was raised from $120 to $240 per year effective January 1, 1967.

Corporation income tax

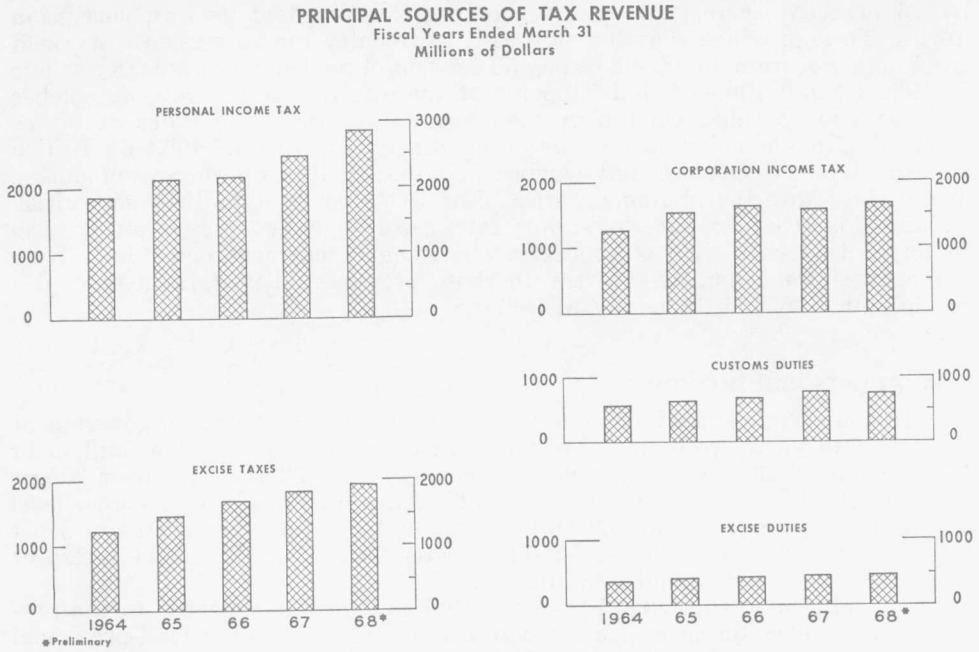
Corporation income tax was the second largest source of government revenue. The yield (excluding the old age security tax) was $1,671 million or 18 per cent of total budgetary revenue compared with $1,593 million or 19 per cent in 1966–67. The increase of $78 million was due mainly to the termination of the accelerated depreciation programs at the end of 1966 and early in 1967 and to the three year curtailment of capital cost allowances for certain classes of assets purchased between March 30, 1966 and April 1, 1967.

In addition to the federal revenue, $167 million was allocated to the provincial tax collection agreements account under terms of federal-provincial fiscal arrangements compared with $132 million in 1966–67.

The tax on incomes of corporations levied under the Old Age Security Act and credited to the old age security fund was $150 million, the same amount as in 1966–67.

Taxes on dividends, interest, etc., going abroad

Revenue in this category was derived from taxes withheld from payments of dividends, interest, rents, royalties, alimony and income from estates and trusts paid to non-residents. Collections for 1967–68 were $221 million, an increase of $17 million or 8 per cent over the 1966–67 total.



Excise taxes

From a revenue standpoint the general sales tax was the most important tax levied under the Excise Tax Act. Receipts (excluding the old age security tax) were $1,601 million, $88 million or 6 per cent higher than 1966–67 receipts of $1,514 million. The increase was due in large part to an increase from 11 per cent to 12 per cent effective January 1, 1967, in the rate of the tax. The increase did not apply to building materials. Partially offsetting the revenue gain from this rate change was the exemption for drugs effective September 1, 1967 and the reduction of the rate of tax on production machinery and equipment to 6 per cent on April 1, 1967 and its elimination on June 2, 1967.

The rates of sales tax referred to above include a 3 per cent tax on sales levied under the Old Age Security Act. Revenue from this tax was $545 million compared with $560 million in 1966–67. Most of the decrease resulted from the elimination of the tax on production machinery and on drugs.

The yield from other excise taxes levied under the Excise Tax Act was $337 million, $21 million more than in 1966–67. The increase was due mainly to increased rates in the excise taxes on wines and tobacco and tobacco products.

Customs import duties

Receipts from this source were $746 million compared with $777 million in 1966-67, a decrease of $31 million.

Excise duties

Excise duties are levied on alcoholic beverages (other than wines) and tobacco products. (Additional taxes on tobacco products were levied under the Excise Tax Act.) Net receipts in 1967–68 were $489 million compared with $461 million in 1966–67. The increase of $28 million was due mainly to increased rates of duty effective December 1, 1967.

Gross receipts of $301 million from duties on alcoholic beverages consisted of $181 million in respect of spirits and $120 million in respect of beer and were $28 million higher than collections of $272 million in 1966–67 of which $158 million was in respect of spirits and $114 million in respect of beer.

Gross receipts of $195 million from duties on tobacco products were $1 million less than collections of $196 million in 1966–67.

Refunds and drawbacks of $7 million resulted in net excise duty collections of $489 million in 1967–68. In 1966–67 refunds and drawbacks were also $7 million and net receipts were $461 million.

Estate tax

Revenue in this category was derived under the Estate Tax Act. Net receipts of $102 million were $1 million more than in 1966–67.

Other taxes

Revenue under this heading during the fiscal year was $300 thousand compared with $200 thousand in 1966–67.

NON-TAX REVENUE

Non-tax revenue totalled $1,060 million compared with $918 million in 1966–67. The increase of $142 million was due mainly to increases of $93 million in return on investments and $28 million in post office revenue.

It is noted that Solicitor General vote 15, Appropriation Act No. 3, 1967, which covered administration, operation and maintenance costs of the Royal Canadian Mounted Police, gave authority to credit thereto all revenue arising from services provided thereunder. Consequently such revenue, which consists mainly of services and service fees, proceeds from sales, and privileges, licences and permits, is not reflected in the accounts as revenue. For purposes of comparison the 1966–67 figures have been amended accordingly.

TABLE 5

(in millions of dollars)

Non-Tax Revenue	Fiscal year ended March 31		Increase or decrease (−)	
	1968 (preliminary)	1967	Amount	Per cent
Return on investments	612.3	519.1	93.2	18.0
Post office—net postal revenue	281.6	253.3	28.3	11.2
Services and service fees	58.9	48.8	10.1	20.7
Privileges, licences and permits	41.6	38.8	2.8	7.2
Proceeds from sales	18.5	21.0	−2.5	−11.9
Refunds of previous years' expenditure	21.7	17.2	4.5	26.2
Bullion and coinage	10.7	5.4	5.3	98.1
Premium, discount and exchange		0.2	0.2	−100.0
Other	15.0	14.9	0.1	2.0
	1,060.3	918.5	141.8	15.4

Return on investments

These receipts, in an amount of $612 million, consisted of income derived from loans and advances made by the government and from investments by the government in productive or earning assets. In 1966–67 receipts were $519 million.

TABLE 6

(in millions of dollars)

Return on Investments	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Loans to, and investments in, Crown corporations—			
Atomic Energy of Canada Limited	0.8	0.6	0.2
Bank of Canada—profits	177.0	150.6	26.4
Canada Deposit Insurance Corporation	0.2		0.2
Canadian Broadcasting Corporation	3.8	2.2	1.6
Canadian Corporation for the 1967 World Exhibition	9.9	3.5	6.4
Canadian Dairy Commission	0.9		0.9
Canadian National Railways	22.5	16.4	6.1
Canadian Overseas Telecommunication Corporation	2.5	2.5	
Central Mortgage and Housing Corporation			
Interest on debentures	156.7	124.1	32.6
Net profit	6.6	5.6	1.0
	163.3	*129.7*	*33.6*
Crown Assets Disposal Corporation		1.0	−1.0
Eldorado Mining and Refining Limited	(1)	1.0	−1.0
Export Credits Insurance Corporation	9.5	7.8	1.7
Farm Credit Corporation	34.6	29.1	5.5
National Capital Commission	3.8	3.8	
National Harbours Board	1.4	1.7	−0.3
Northern Canada Power Commission	3.8	3.1	0.7
Northern Ontario Pipe Line Crown Corporation	0.7		0.7
Polymer Corporation Limited	2.6	4.5	−1.9
The St. Lawrence Seaway Authority	10.8	13.8	−3.0
	448.1	*371.3*	*76.8*
Other loans and investments—			
United Kingdom	21.2	21.6	−0.4
Other national governments	3.9	4.1	−0.2
Provincial governments	0.6	0.8	−0.2
Exchange fund account	55.2	60.6	−5.4
Interest-bearing deposits with chartered banks	23.4	24.2	−0.8
Municipal Development and Loan Board	12.7	5.9	6.8
Securities investment account	17.0	3.7	13.3
Soldier and general land settlement loans and veterans land act advances	13.0	10.6	2.4
Investments in United States dollar securities issued by other than the Government of Canada	6.6	7.9	−1.3
Miscellaneous	10.6	8.4	2.2
	16 .2	*147.8*	*16.4*
	612.3	519.1	93.2

(1) Less than $50,000.

Receipts from Crown corporations at $448 million were $77 million more than in the previous year. The main changes were increases of $34 million in payments by the Central Mortgage and Housing Corporation and $26 million in the Bank of Canada profits paid to the government.

The yield from other loans and investments at $164 million was $16 million more than the 1966–67 total. The main changes were increases of $13 million in earnings of the securities investment account and $7 million in interest on loans to the Municipal Development and Loan Board and a decrease of $5 million in profits from the exchange fund account.

Post office revenue

Gross receipts from post office operations were $327 million but authorized disbursements from revenue for salaries and rent allowances, other allowances and commissions at semi-staff and revenue offices, commissions at sub-offices, transit charges on Canadian mail forwarded through and delivered in foreign countries, etc. in the amount of $45 million brought net revenue to $282 million. In 1966–67 gross revenue was $295 million, authorized disbursements were $42 million and net revenue was $253 million.

Net costs of operating the Post Office Department during 1967–68 (excluding the $45 million charged to revenue) were $302 million. As net revenue was $282 million there was a net operating deficit of $20 million. In 1966–67 net revenue

TABLE 7
(in millions of dollars)

Post Office Revenue	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Postage—			
In Canada	307.1	277.0	30.1
From foreign countries	6.4	5.2	1.2
Commission on money orders	9.4	9.2	0.2
Rental of post office boxes	2.5	2.4	0.1
Other	1.7	1.6	0.1
	327.1	*295.4*	*31.7*
Less—			
Salaries and allowances—			
Revenue post offices	−11.9	−11.8	−0.1
Semi-staff post offices	−21.7	−19.4	−2.3
Sub post offices	−5.9	−5.5	−0.4
Transit charges to or through foreign countries	−4.3	−3.8	−0.5
Other	−1.7	−1.6	−0.1
	−45.5	*−42.1*	*−3.4*
	281.6	253.3	28.3

was $253 million, net operating costs were $268 million and the net operating deficit was $15 million. The higher receipts in 1967–68 resulted from increased postal rates and the increase in costs was due mainly to higher salary rates and to normal staff growth.

However, it should be noted that the total shown for post office revenue does not reflect any payment for the franking privilege covering parliamentary and departmental mail or for certain miscellaneous services provided for other government departments and agencies, nor does the total shown for operating expenses reflect any charges for premises occupied by the Post Office Department or for accounting and miscellaneous services provided by other departments.

Services and service fees

Revenue from this source was $59 million compared with $49 million in 1966–67.

The Department of Transport received $27 million including aircraft landing fees of $15 million, marine steamers earnings of $5 million and harbour dues and wharfage of $2 million; the Department of Agriculture received $9 million of which $5 million was for services in connection with the inspection, weighing, storage and elevation of grain and $2 million for race track supervision; the Department of Finance received $7 million mainly from numismatic revenue; the Department of National Health and Welfare received $5 million including a $3 million reimbursement by the provinces for treatment of Indians in federal government hospitals and the Department of Trade and Commerce received $2 million, mainly from weights and measures and electricity and gas inspection fees.

Privileges, licences and permits

Revenue from this category totalled $42 million for 1967–68, $3 million more than in the previous fiscal year.

The Department of Transport received $19 million mainly from rentals, concessions and radio licence fees; the Department of Indian Affairs and Northern Development received $8 million of which $2 million was from fees, leases and royalties in respect of oil, gas and gold and $1 million from transient motor vehicle licences; the Department of Consumer and Corporate Affairs received $5 million from patents, trade marks, charters, etc. and the Department of Public Works received $4 million for rental of public buildings and sites.

Proceeds from sales

Receipts of $19 million were $3 million less than the total for 1966–67.

The Department of Defence Production received $4 million mainly from the sale of surplus Crown assets, Central Mortgage and Housing Corporation received $3 million from the sales of properties and the Department of Public Printing and Stationery received $3 million mainly from the sales of publications.

Refunds of previous years' expenditure

Refunds in 1967–68 of expenditures made in prior years were $22 million, $5 million more than in 1966–67.

The Department of National Defence received $7 million of which $2 million was due to cost audits and $2 million was due to adjustments on contracts with the United States government and the Department of Veterans Affairs received $7 million in refunds of veterans' pensions, allowances and re-establishment credits.

Bullion and coinage

Revenue of $11 million derived from the operation of the Royal Canadian Mint consisted mainly of a net gain on coinage. Small amounts were also obtained from gold refining charges, handling charges and gain on gold refining. In 1966–67 revenue from the operation of the Mint totalled $5 million.

Premium, discount and exchange

Premium, discount and exchange resulted in a net expenditure of $615 thousand in 1967–68 compared with a net revenue of $242 thousand in 1966–67.

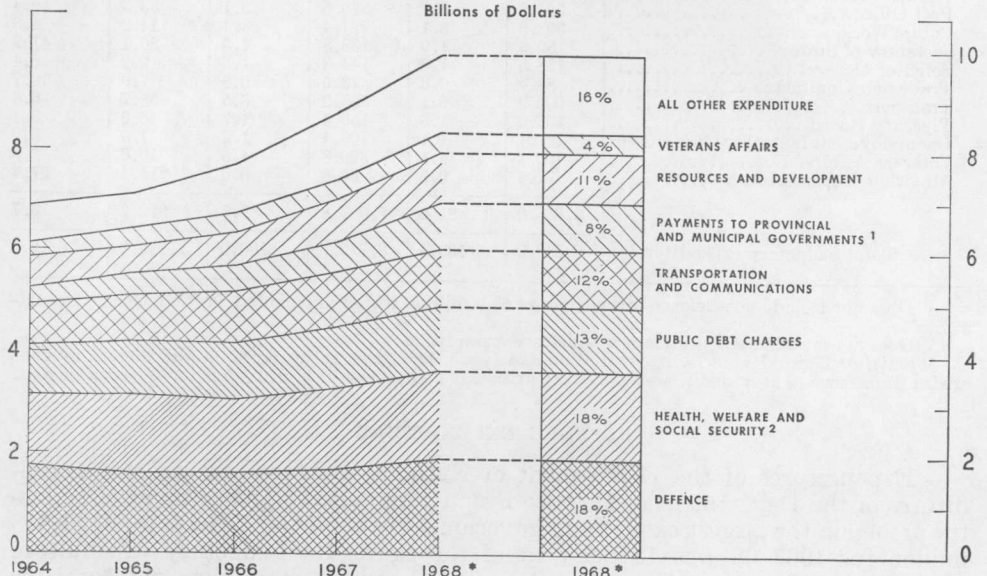
Other non-tax revenue

Other non-tax revenue of $15 million was approximately the same amount as in 1966–67.

EXPENDITURE

Budgetary expenditure amounted to $9,869 million for 1967–68, $1,089 million or 12 per cent higher than in 1966–67.

BUDGETARY EXPENDITURE, CLASSIFIED BY FUNCTION
Fiscal Years Ended March 31
Billions of Dollars



1. Does not include those payments made to provincial and municipal governments for specified purposes.
2. Does not include pension payments out of the old age security fund not charged to budgetary expenditure in the year in which they were paid.
* Preliminary

TABLE 8

STATEMENT OF BUDGETARY EXPENDITURE BY DEPARTMENTS

(in millions of dollars)

—	Fiscal year ended March 31				Increase or decrease (−)	
	1968 (preliminary)		1967			
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Defence expenditure—						
National Defence	1,753.5	17.8	1,640.4	18.7	113.1	6.9
Defence Production[1]	26.0	0.3	24.9	0.3	1.1	4.4
Industry[2]	33.5	0.3	30.6	0.3	2.9	9.5
	1,813.0	18.4	1,695.9	19.3	117.1	6.9
Non-defence expenditure—						
Agriculture	277.1	2.8	230.7	2.6	46.4	20.1
Atomic Energy	69.3	0.7	60.2	0.7	9.1	15.1
Canadian Broadcasting Corporation	143.3	1.4	115.2	1.3	28.1	24.4
Central Mortgage and Housing Corporation	23.1	0.2	20.1	0.2	3.0	14.9
Dominion Bureau of Statistics	22.5	0.2	26.6	0.3	−4.1	−15.4
Energy, Mines and Resources	136.5	1.4	130.2	1.5	6.3	4.8
External Affairs	215.7	2.2	230.5	2.6	−14.8	−6.4
Finance	2,148.1	21.8	1,836.0	20.9	312.1	17.0
Fisheries	51.7	0.5	41.5	0.5	10.2	24.6
Forestry and Rural Development	81.1	0.8	66.5	0.8	14.6	22.0
Indian Affairs and Northern Development	231.4	2.3	197.4	2.3	34.0	17.2
Industry	84.7	0.9	47.9	0.5	36.8	76.8
Justice	15.4	0.2	12.2	0.1	3.2	26.2
Labour	10.9	0.1	24.9	0.3	−14.0	−56.2
Legislation	18.3	0.2	17.8	0.2	0.5	2.8
Manpower and Immigration	421.6	4.3	320.4	3.7	101.2	31.6
National Health and Welfare	1,488.3	15.1	1,315.9	15.0	172.4	13.1
National Research Council including the Medical Research Council	121.7	1.2	94.7	1.1	27.0	28.5
National Revenue	115.1	1.2	105.9	1.2	9.2	8.7
Post Office	301.8	3.1	268.5	3.1	33.3	12.4
Public Works	308.6	3.1	294.4	3.4	14.2	4.8
Secretary of State	189.9	1.9	133.8	1.5	56.1	41.9
Solicitor General	153.5	1.6	144.3	1.6	9.2	6.4
Trade and Commerce	81.4	0.8	73.5	0.8	7.9	10.7
Transport	606.9	6.1	568.2	6.5	38.7	6.8
Treasury Board	158.6	1.6	153.4	1.7	5.2	3.4
Unemployment Insurance Commission	107.1	1.1	106.1	1.2	1.0	0.9
Veterans Affairs	400.8	4.1	390.8	4.5	10.0	2.6
All Other Departments	71.6	0.7	56.2	0.6	15.4	27.4
	8,056.0	81.6	7,083.8	80.7	972.2	13.7
Total budgetary expenditure[3]	9,869.0	100.0	8,779.7	100.0	1,089.3	12.4

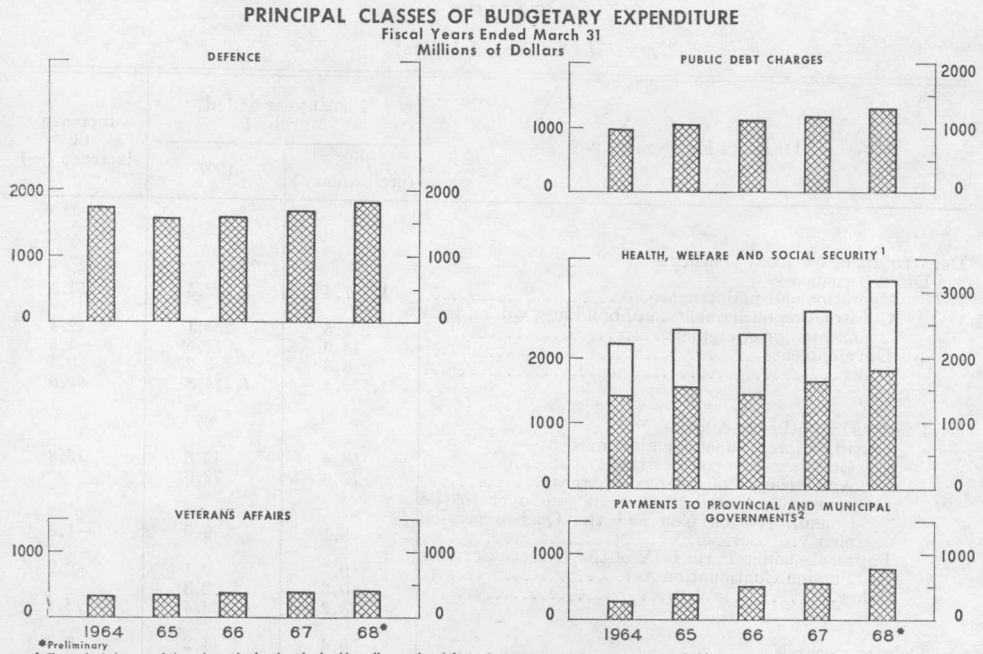
[1] Does not include non-defence expenditure of $9.5 million which is included in "All Other Departments".

[2] Does not include $84.7 million in non-defence expenditure.

[3] Solicitor General vote 15, Appropriation Act No. 3, 1967 gave authority to credit thereto revenue arising from services provided thereunder. For purposes of comparison 1966–67 figures have been adjusted.

DEFENCE EXPENDITURE

Expenditures of the Department of National Defence and defence expenditures of the Department of Defence Production and the Department of Industry are again the largest category of government expenditure. The total of $1,813 million for 1967–68 was 18 per cent of the aggregate budgetary expenditure of the government for the year and was $117 million more than the total for 1966–67 when it was 19 per cent of total expenditure.



National Defence

Expenditures of the Department of National Defence were $1,754 million compared with $1,640 million for 1966–67, an increase of $113 million.

Expenditures of $1,528 million for defence services included $1,237 million for operation and maintenance, $278 million for construction or acquisition of buildings, works, land and major equipment and $13 million for development. In 1966–67 expenditures of $1,435 million for defence services included $1,183 million for operation and maintenance, $235 million for construction or acquisition and $17 million for development.

Expenditures for pensions and other benefits totalled $149 million and included $131 million in respect of the Canadian forces superannuation account, $8 million for the government's contribution as an employer to the Canada pension plan and the Quebec pension plan and $9 million in payments under Parts I–IV of the Defence Services Pension Continuation Act. In 1966–67 expenditures totalled $135 million of which $115 million was in respect of the superannuation account, $10 million for the government's contribution as an employer to the Canada pension plan and the Quebec pension plan and $9 million for payments under Parts I–IV of the Defence Services Pension Continuation Act.

The government's contribution to the Canadian forces superannuation account, of an amount equal to $1\frac{2}{3}$ times the contributions of the permanent services personnel, was $58 million compared with $43 million in 1966–67. An amount of $73 million, equal to one fifth of the actuarial deficiency arising out of pay increases was also charged to budgetary expenditure in 1967–68.

Defence research costs of $50 million reflected an increase of $6 million over the 1966–67 total.

TABLE 9

(in millions of dollars)

Defence Expenditure	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Department of National Defence—			
Defence services—			
Operation and maintenance	1,237.4	1,182.5	54.9
Construction or acquisition of buildings, works, land and major equipment	277.5	235.1	42.4
Development	13.0	17.5	−4.5
Other	0.3	0.2	0.1
	1,528.2	*1,435.3*	*92.9*
Pensions and other benefits—			
Canadian forces superannuation account—			
Government's contribution	58.4	42.6	15.8
Amortization of deferred charges	72.6	72.6	
Government's contribution as an employer to the Canada pension plan and the Quebec pension plan	8.1	9.9	−1.8
Payments under Parts I–IV of the Defence Services Pension Continuation Act	9.3	9.1	0.2
Other	0.3	0.3	
	148.7	*134.5*	*14.2*
Defence research	50.4	44.2	6.2
Mutual aid to NATO countries including contributions towards military costs of NATO	18.0	18.7	−0.7
Defence Construction (1951) Limited	2.2	2.2	
Administration and general	6.0	5.5	0.5
	1,753.5	1,640.4	113.1
Department of Defence Production[1]—			
Canada Emergency Measures Organization	8.0	9.2	−1.2
Canadian Commercial Corporation	2.0		2.0
Canadian Arsenals Limited	0.4	1.3	−0.9
Administration and general	15.6	14.4	1.2
	26.0	*24.9*	*1.1*
Department of Industry[2]—			
Technological capability	22.9	22.6	0.3
Payments to assist defence manufacturers with defence plant modernization and establishment of production capacity and qualified sources	10.6	8.0	2.6
	33.5	*30.6*	*2.9*
	1,813.0	1,695.9	117.1

[1] Does not include non-defence expenditure of $9.5 million which is included in "All Other Departments".

[2] Does not include $84.7 million in non-defence expenditure.

Mutual aid to NATO countries including contributions towards military costs of NATO at $18 million were $1 million less than in 1966–67.

Defence Production

Defence expenditures of the Department of Defence Production including those for the Canada Emergency Measures Organization, the Canadian Commercial Corporation and the Canadian Arsenals Limited totalled $26 million compared with $25 million in 1966–67.

Payments to assist defence contractors with defence plant modernization and in connection with the establishment of production capacity and qualified

sources for production of component parts and materials, which in previous years were included under expenditures of this department, are now included in defence expenditures of the Department of Industry. Previous year's figures have been adjusted for purposes of comparison.

Canada Emergency Measures Organization

Expenditures of the Canada Emergency Measures Organization at $8 million were $1 million less than in the previous fiscal year.

Canadian Commercial Corporation

Payments to the Department of Defence Production for administrative services in respect of this corporation totalled $2 million in 1967–68. There were no expenditures in the previous year.

Industry

Defence expenditures of the Department of Industry totalled $34 million in 1967–68, an increase of $3 million over the previous year's total.

Outlays of $23 million in connection with the government program instituted in 1959–60 of supporting selected defence development programs in order to sustain technological capability in Canadian industry were the same as the previous year's total and payments of $11 million to assist defence manufacturers with defence plant modernization and establishment of production capacity and qualified sources, which in previous years were included under defence expenditures of the Department of Defence Production, reflected an increase of $3 million during 1967-68. Previous year's figures have been amended for purposes of comparison.

Cash outlays for defence

In addition to these budgetary expenditures for defence, there are other cash outlays which must be considered in arriving at the cost of Canada's defence program.

Under authority of the Department of National Defence vote 48, Appropriation Act No. 2, 1966, as amended, an account which has been named "surplus Crown assets" is to be credited with: (a) all revenues received during the current and subsequent fiscal years from the sale of surplus materials, supplies and equipment; and (b) revenues received during the current and subsequent fiscal years from the sale during the current year of surplus buildings, works and land not exceeding an aggregate amount of $10 million. Expenditures are subject to the approval of Treasury Board for any purposes of the Department of National Defence. During 1967–68 proceeds from sales amounted to $9 million and expenditures were $2 million, resulting in a balance in the account of $31 million.

The Department of Defence Production also makes cash disbursements for the procurement of materials for use in the manufacture of defence equipment which are not recorded as budgetary expenditures. For purposes of accounting and control, these amounts are charged to the defence production revolving fund and are treated as assets on the books of the government until they are charged to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment. During 1967–68 purchases of $35 million exceeded proceeds from sales of $30 million resulting in a balance of $39 million as at March 31, 1968.

TABLE 10

(in millions of dollars)

Cash Outlays for Defence	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Budgetary expenditures—			
Department of National Defence	1,753.5	1,640.4	113.1
Department of Defence Production[1]	26.0	24.9	1.1
Department of Industry[2]	33.5	30.6	2.9
	1,813.0	*1,695.9*	*117.1*
Disbursements for—			
Surplus Crown assets	−6.8	−15.2	8.4
Defence production revolving fund (net)	5.0	11.4	−6.4
	−1.8	*−3.8*	*2.0*
Net cash outlays for defence	1,811.2	1,692.1	119.1

[1] Does not include $9.5 million in non-defence expenditure which is included in "All Other Departments".

[2] Does not include $84.7 million in non-defence expenditure.

NON-DEFENCE EXPENDITURE

Agriculture

Expenditures of the Department of Agriculture amounted to $277 million, an increase of $46 million over the total for 1966–67.

Outlays for production and marketing were $177 million compared with $139 million in 1966–67. The 1967–68 net operating loss of the agricultural stabilization board at $140 million was $51 million higher than the 1966–67 operating loss of $89 million, due mainly to payments for stabilization of prices in respect of milk and milk products; the 1967–68 net operating loss of the agricultural products board at $1 million was $4 million lower than the 1966–67 net operating loss of $5 million; and outlays of $8 million in respect of plant and plant products were $12 million lower than 1966–67 outlays of $20 million.

TABLE 11

(in millions of dollars)

Agriculture	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Production and marketing—			
Agricultural stabilization board—net operating loss	139.7	88.7	51.0
Animal and animal products	21.6	19.8	1.8
Agricultural products board—net operating loss	1.4	5.7	−4.3
Plant and plant products	8.5	20.3	−11.8
Contributions to provinces under the Crop Insurance Act	2.6	1.4	1.2
Administration and general	3.2	2.9	0.3
	177.0	*138.8*	*38.2*
Research	39.7	35.4	4.3
Land rehabilitation, irrigation and water storage projects	21.5	25.0	−3.5
Health of animals	18.6	16.1	2.5
Board of grain commissioners	9.7	7.8	1.9
Farm Credit Corporation—net operating loss	3.8	2.6	1.2
Canadian Dairy Commission	0.3	[1]	0.3
Administration and general	6.5	5.0	1.5
	277.1	230.7	46.4

[1] Less than $50,000

Expenditures for research were $40 million compared with $35 million in 1966–67, for land rehabilitation, irrigation and water storage projects $22 million compared with $25 million, for health of animals $19 million compared with $16 million and for the Board of Grain Commissioners $10 million compared with $8 million.

Atomic Energy

Expenditures by the government in respect of Atomic Energy of Canada Limited and the Atomic Energy Control Board amounted to $69 million compared with $60 million in 1966–67.

Atomic Energy of Canada Limited received $66 million in respect of its research program, of which $57 million was for operation and maintenance and $9 million for construction or acquisition of buildings, works, land and equipment. In 1966–67 the company received $58 million of which $48 million was for operation and maintenance and $10 million for construction or acquisition.

The Atomic Energy Control Board received $3 million, approximately $1 million more than in the previous fiscal year, mainly for grants for researches and investigations.

In addition, loans in the amount of $33 million were made to Atomic Energy of Canada Limited.

TABLE 12

(in millions of dollars)

Atomic Energy	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Atomic Energy of Canada Limited—			
Research program—			
Current operation and maintenance	56.9	47.7	9.2
Construction or acquisition of buildings, works, land and equipment	9.6	10.3	−0.7
	66.5	*58.0*	*8.5*
Atomic Energy Control Board—			
Grants for researches and investigations with respect to atomic energy	2.5	2.0	0.5
Administration	0.3	0.2	0.1
	2.8	*2.2*	*0.6*
	69.3	60.2	9.1

Canadian Broadcasting Corporation

Payments of $143 million by the government to the Canadian Broadcasting Corporation and charged to budgetary expenditure were $28 million more than the total of $115 million in 1966–67 due in part to special Centennial and EXPO 67 activities which totalled $11 million in 1967–68 compared with $5 million in 1966–67.

Grants for net operating requirements in respect of the national broadcasting service were $140 million, $27 million more than in the previous fiscal year.

In addition, loans to the corporation for capital expenditure amounted to $21 million in 1967–68 and repayments of loans were $3 million.

TABLE 13

(in millions of dollars)

Canadian Broadcasting Corporation	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Grants in respect of the national broadcasting service— Net operating requirements	139.5	112.4	27.1
International broadcasting service	3.8	2.8	1.0
	143.3	115.2	28.1

Central Mortgage and Housing Corporation

Budgetary expenditure of the government in respect of the Central Mortgage and Housing Corporation at $23 million was $3 million more than in 1966–67.

Payments of $10 million to provinces or municipalities for urban renewal were $2 million more than in 1966–67.

Loans in the amount of $8 million, originally made to municipalities and municipal sewerage corporations, were forgiven by Central Mortgage and Housing Corporation pursuant to section 36G of the National Housing Act, the same amount as in 1966–67.

In addition, loans in the amount of $767 million were made to the corporation in 1967–68 and repayments by the corporation were $133 million.

TABLE 14

(in millions of dollars)

Central Mortgage and Housing Corporation	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Urban renewal	9.7	7.9	1.8
Loans forgiven by the corporation	7.9	7.9	
Losses sustained—federal-provincial projects	2.4	2.1	0.3
Housing research and community planning	3.1	2.2	0.9
	23.1	20.1	3.0

Dominion Bureau of Statistics

Expenditures of the Dominion Bureau of Statistics totalled $23 million in 1967–68 compared with $27 million in the previous fiscal year.

Administration and operation expenditures at $23 million were $5 million higher than in 1966–67 but this increase was more than offset by the fact that there were no expenditures in 1967–68 for the 1966 Quinquennial Census which were $9 million in 1966–67.

TABLE 15

(in millions of dollars)

Dominion Bureau of Statistics	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Administration and operation	22.5	18.0	4.5
1966 Quinquennial Census of Canada		8.5	−8.5
1961 Decennial Census of Canada		0.1	−0.1
	22.5	26.6	−4.1

Energy, Mines and Resources

Expenditures of the Department of Energy, Mines and Resources including the Dominion Coal Board and the National Energy Board were $137 million compared with $130 million in 1966–67.

The increase was due mainly to outlays of $20 million in respect of research and investigations on water resources compared with $15 million in 1966–67 and $20 million in respect of marine surveys and research compared with $16 million in the previous fiscal year.

TABLE 16

(in millions of dollars)

Energy, Mines and Resources	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Dominion coal board	33.6	38.0	−4.4
Research and investigations on water resources	20.2	15.0	5.2
Marine surveys and research	20.3	16.1	4.2
Emergency gold mining assistance	15.2	15.0	0.2
Field and air surveys, mapping and aeronautical charting	10.1	8.7	1.4
Geological research	9.4	9.8	−0.4
Mining and metallurgical investigations and research	7.6	6.8	0.8
Research in astronomy and geophysics	5.4	5.4	
Contributions to provinces to assist in the development of roads leading to resources	2.7	4.5	−1.8
Subventions pursuant to the Atlantic Provinces Power Development Act in respect of electric power generated from eastern coal	2.4	2.8	−0.4
Polar continental shelf	1.6	1.9	−0.3
National energy board	1.6	1.1	0.5
Geographical surveys and research	1.1	1.1	
Administration and general	5.3	4.0	1.3
	136.5	130.2	6.3

External Affairs

Expenditures of the Department of External Affairs amounted to $216 million for 1967–68, $15 million less than the total for the previous fiscal year.

Expenditures of the external aid office were $135 million compared with $160 million in 1966–67. The decrease was due mainly to a decrease of $21 million in outlays under the international food aid program and to the fact that there was no expenditure in 1967–68 comparable to the $9 million in 1966–67 for forgiveness of the payment of principal re the purchase of wheat and flour by India.

Assessments for membership in international commissions and organizations were $13 million compared with $12 million in 1966–67, costs for construction, acquisition or improvement of buildings, works, land, equipment and furnishings were $6 million compared with $3 million and administration, operation, maintenance and general costs were $42 million compared with $36 million.

TABLE 17

(in millions of dollars)

External Affairs	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
External aid office—			
Economic, technical, educational and other assistance—			
International food aid program	76.3	97.0	−20.7
International development assistance	50.0	48.5	1.5
Contribution to the Indus Basin development fund	5.0	3.0	2.0
Other	0.7	0.1	0.6
Forgiveness of payment of principal re purchase of wheat and flour by India		9.4	−9.4
Administration	2.8	1.7	1.1
	134.8	*159.7*	*−24.9*
Contributions, grants and payments to international commissions and organizations—			
United nations and its agencies	15.3	14.0	1.3
Miscellaneous grants and payments	3.7	5.3	−1.6
Other international commissions and organizations	0.1	0.1	
Commonwealth organizations	(1)	0.1	−0.1
	19.1	*19.5*	*−0.4*
Assessments for membership in international commissions and organizations—			
United nations and its agencies	9.9	9.3	0.6
Other international commissions and organizations	2.7	2.1	0.6
Commonwealth organizations	0.3	0.3	
	12.9	*11.7*	*1.2*
Construction, acquisition or improvement of buildings, works, land, equipment and furnishings	6.5	3.1	3.4
International joint commission	0.4	0.3	0.1
Administration, operation, maintenance and general	42.0	36.2	5.8
	215.7	230.5	−14.8

(1) Less than $50,000.

Finance

Expenditures of the Department of Finance were $2,148 million, $312 million more than the previous year's total of $1,836 million, due mainly to increases of $110 million in public debt charges and $222 million in payments to provinces and a decrease of $25 million in forgiveness of indebtedness in respect of the municipal development and loan board.

TABLE 18

(in millions of dollars)

FINANCE	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Public debt charges	1,300.8	1,190.5	110.3
Fiscal, subsidy and other payments to provinces	737.5	515.5	222.0
Grants to municipalities and provinces in lieu of taxes on federal property	41.5	37.6	3.9
Office of the Comptroller of the Treasury	32.1	29.3	2.8
Forgiveness of indebtedness—municipal development and loan board	16.7	41.6	−24.9
Royal Canadian Mint	4.0	3.2	0.8
Administration and general	15.5	18.3	−2.8
	2,148.1	1,836.0	312.1

Public debt charges

Public debt charges are again the third largest item of budgetary expenditure, exceeded only by those for defence and those for health, welfare and social security.

Public debt charges consist of interest on the public debt, the annual amortization of bond discounts and commissions, the cost of issuing new loans and other costs incurred in servicing the public debt. These charges were $1,301 million for 1967–68 or 13 per cent of all budgetary expenditure compared with $1,191 million or 14 per cent for 1966–67.

Interest on public debt totalled $1,270 million of which $981 million was in respect of unmatured debt and $289 million in respect of other liabilities. In 1966–67 total interest was $1,156 million of which $902 million was for unmatured debt and $254 million for other liabilities.

The increase of $79 million in interest on unmatured debt reflected higher interest rates and an increase in unmatured debt. The increase in interest on other liabilities was due mainly to increases of $13 million in respect of the public service superannuation account and $13 million in respect of the Canadian forces superannuation account.

Other public debt charges at $31 million were $4 million less than in 1966–67.

When considering the magnitude of these public debt charges and the burden they place upon the public treasury, it must be borne in mind that a substantial portion of the debt is attributable to, or is invested in, productive or earning assets. Therefore, in calculating the *net* burden of the government's annual interest charges, the income derived from loans, investments and other productive assets must be taken into account. This income totalled $612 million for 1967–68 as shown in the non-tax revenue section under the heading "return on investments". This amount deducted from the gross total of $1,270 million for interest as shown in the table leaves a net amount of $658 million compared with a net of $637 million in 1966–67. Measured as a percentage of the net debt the burden of the net annual interest charges was 3.92 per cent in 1967–68 compared with 3.99 per cent in 1966–67.

TABLE 19

(in millions of dollars)

Interest and Other Public Debt Charges	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Interest on public debt—			
Unmatured debt including treasury bills—			
Payable in Canada	967.9	885.6	82.3
Payable in New York	12.6	15.9	−3.3
	980.5	*901.5*	*79.0*
Other liabilities—			
Annuity, insurance and pension accounts	273.8	246.4	27.4
Deposit and trust accounts	4.6	3.8	0.8
Refundable portion of corporation income tax	11.1	4.4	6.7
	289.5	*254.6*	*34.9*
Total interest on public debt	1,270.0	1,156.1	113.9
Other public debt charges—			
Annual amortization of bond discounts and commissions	26.3	29.8	−3.5
Cost of issuing new loans	2.9	2.6	0.3
Servicing of public debt	1.6	2.0	−0.4
	30.8	*34.4*	*−3.6*
	1,300.8	1,190.5	110.3

TABLE 20

(in millions of dollars)

Net Burden of Annual Interest Charges	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Total interest on public debt	1,270.0	1,156.1	113.9
Less return on investments	−612.3	−519.1	−93.2
Net interest cost	657.7	637.0	20.7
Net interest cost as a percentage of net debt	3.92	3.99	

Fiscal, subsidy and other payments to provinces

Payments to provinces in the amount of $737 million were $222 million more than in 1966–67.

However, in addition to the above payments, $1,128 million in provincial income taxes collected by the federal government on behalf of the provinces has been allocated to the provincial tax collection agreements account under the terms of the Federal-Provincial Fiscal Arrangements Act. A more detailed explanation of these arrangements is given in the tax revenue section of this Part.

TABLE 21

(in millions of dollars)

Fiscal, Subsidy and Other Payments to Provinces	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Payments under the Federal-Provincial Fiscal Arrangements Act [1]	563.6	423.2	140.4
Payments under the Established Programs (Interim Arrangements) Act [2]	153.0	57.7	95.3
Statutory subsidies	31.7	23.6	8.1
Payments under the Federal-Provincial Tax-Sharing Arrangements Act	1.3	9.1	−7.8
Transfer of certain public utility tax receipts	6.7	6.0	0.7
Federal-Provincial Fiscal Revision Act (youth allowances) [3]	18.8 Cr.	4.1 Cr.	−14.7
	737.5	515.5	222.0

[1] Gross prior to recovery of an excess abatement under the Federal-Provincial Fiscal Revision Act (youth allowances) to the Province of Quebec.
[2] Payments made to the Province of Quebec in respect of opting out agreements.
[3] Recovered from payments to the Province of Quebec under the Federal-Provincial Fiscal Arrangements Act.

A summary of payments, by provinces, during 1967–68 is given in the following table:

TABLE 22

(in millions of dollars)

Fiscal, Subsidy and Other Payments to Provinces	Fiscal year ended March 31, 1968 (preliminary)						
	Payments under fiscal arrangements	Payments under Interim Arrangements Act	Statutory subsidies	Payments under the Federal-Provincial Fiscal Revision Act (youth allowances)	Transfer of certain public utility tax receipts	Payments under Federal-Provincial Tax-Sharing Arrangements Act	Total
Newfoundland	66.1		9.7		0.4	0.1	76.3
Nova Scotia	77.6		2.1		0.6	0.2	80.5
Prince Edward Island	13.8		0.7		0.1	[1]	14.6
New Brunswick	63.5		1.7		[1]	0.2	65.4
Quebec	[2]243.8	153.0	4.0	[3]18.8 Cr.	0.7	0.3	383.0
Ontario	20.6		4.6		1.6		26.8
Manitoba	44.9		2.1		0.3	0.2	47.5
Saskatchewan	24.9		2.1		[1]	0.3	27.3
Alberta	8.4		3.0		2.9		14.3
British Columbia			1.7		0.1		1.8
	563.6	153.0	31.7	18.8 Cr.	6.7	1.3	737.5

[1] Less than $50,000.
[2] Gross prior to recovery of the excess tax abatement of $18.8 million under the Federal-Provincial Fiscal Revision Act (youth allowances).
[3] Recovered from payments under the Federal-Provincial Fiscal Arrangements Act.

Grants to municipalities

Payments to municipalities and provinces in lieu of taxes on federal property amounted to $42 million compared with $38 million in 1966–67.

Forgiveness of indebtedness, the municipal development and loan board

Under the Municipal Development and Loan Act, advances are made to the municipal development and loan board to provide financial assistance by way of loans to municipalities to augment or accelerate capital works programs. The act also provides that the board shall, under certain conditions, forgive payment by the municipality of 25 per cent of the principal amount of the loan. During 1967–68 payments forgiven amounted to $17 million compared with $42 million in the previous year.

Fisheries

Expenditures of the Department of Fisheries totalled $52 million, an increase of $10 million over the 1966–67 total, due to increases of $7 million in respect of fisheries management and development and $3 million in respect of the fisheries research board.

TABLE 23

(in millions of dollars)

Fisheries	Fiscal year ended March 31		Increase or decrease (—)
	1968 (preliminary)	1967	
Fisheries management and development—			
Conservation and protection services	9.4	9.0	0.4
Grants, contributions and subsidies	8.5	3.7	4.8
Resource development service	6.3	5.3	1.0
Industrial development service	3.6	3.5	0.1
Inspection service	3.1	2.7	0.4
Canadian share of the expenses of international commissions	1.3	1.2	0.1
Other	2.8	2.7	0.1
	35.0	*28.1*	*6.9*
Fisheries Research Board of Canada	14.6	11.5	3.1
Administration and general	2.1	1.9	0.2
	51.7	41.5	10.2

Forestry and Rural Development

Expenditures of the Department of Forestry and Rural Development totalled $81 million compared with $67 million in the previous fiscal year.

The increase was due mainly to payments of $27 million to provinces in respect of projects and programs under the Agricultural and Rural Development Act which were $9 million more than comparable payments of $18 million in 1966–67 in respect of the Agricultural Rehabilitation and Development Act and $6 million in respect of progress payments for rural economic development for which there were no comparable expenditures in 1966–67.

Outlays for freight assistance and grain storage costs on western feed grains amounted to $21 million, the same as in the previous fiscal year.

TABLE 24

(in millions of dollars)

Forestry and Rural Development	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Rural development—			
Payments in respect of projects and programs under the Agricultural and Rural Development Act	27.0	17.9	9.1
Fund for rural economic development—project payments	6.1		6.1
Agricultural Rehabilitation and Development Act and the Maritime Marshland Rehabilitation Act	3.6	2.1	1.5
	36.7	*20.0*	*16.7*
Forestry—			
Regional research and services	10.7	8.7	2.0
Research institutes	7.3	4.7	2.6
Contributions to the provinces	1.1	8.7	−7.6
Administration	1.9	1.3	0.6
	21.0	*23.4*	*−2.4*
Canadian livestock feed board—			
Freight assistance and grain storage costs on western feed grains	21.4	21.0	0.4
Administration and operation	0.2		0.2
	21.6	*21.0*	*0.6*
Administration and general	1.8	2.1	−0.3
	81.1	66.5	14.6

Indian Affairs and Northern Development

Expenditures of the Department of Indian Affairs and Northern Development amounted to $231 million compared with $197 million in 1966–67.

Outlays in respect of Indian affairs were $123 million compared with $103 million in 1966–67. There were increases of $11 million in outlays for development and maintenance of Indian communities and $7 million in education costs.

Outlays in respect of the northern program were $70 million compared with $57 million in 1966–67. There were increases of $4 million in outlays for regional development, $3 million in payments to governments of the Yukon Territory and the Northwest Territories and $3 million in respect of northern mineral assistance grants for which there was no comparative expenditure in 1966–67.

Conservation expenditures totalled $37 million compared with $36 million in 1966–67. Administration, operation and maintenance costs were $3 million compared with $2 million in 1966–67.

TABLE 25

(in millions of dollars)

Indian Affairs and Northern Development	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Indian affairs—			
Education	58.9	52.3	6.6
Development and maintenance of Indian communities	57.0	45.2	11.8
Administration and general	6.6	5.6	1.0
	122.5	*103.1*	*19.4*
Northern program—			
Regional development	25.8	22.2	3.6
Education	12.3	11.5	0.8
Payments to the Governments of the Yukon Territory and the Northwest Territories	9.4	6.3	3.1
Northern mineral assistance grants	2.8		2.8
Administration and general	19.3	16.8	2.5
	69.6	*56.8*	*12.8*
Conservation—			
National parks and historic sites	29.0	30.6	−1.6
Canadian wildlife service	3.8	2.9	0.9
Administration and general	3.9	2.1	1.8
	36.7	*35.6*	*1.1*
Administration and general	2.6	1.9	0.7
	231.4	197.4	34.0

Industry

Non-defence expenditures of the Department of Industry were $85 million compared with $48 million in 1966–67.

The increase was due mainly to expenditures of $26 million to provide incentives for the development of industrial employment opportunities in designated areas in Canada compared with $1 million in 1966–67.

TABLE 26

(in millions of dollars)

Industry[1]	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Capital subsidies for the construction of commercial and fishing vessels	39.3	35.8	3.5
Incentives for the development of industrial employment opportunities in designated areas in Canada	26.4	1.2	25.2
To advance the technological capability of Canadian manufacturing industry by supporting selected civil (non-defence) development projects	6.4	4.6	1.8
General incentives to industry for the expansion of scientific research and development in Canada	2.1		2.1
Administration and general	10.5	6.3	4.2
	84.7	47.9	36.8

[1]Additional expenditures of $33.5 million are included under "defence expenditure".

Capital subsidies for the construction of commercial and fishing vessels, which in previous years were included in expenditures of the Canadian Maritime Commission under the Department of Transport, are now included under expenditures of the Department of Industry. Previous year's figures have been adjusted for purposes of comparison. Expenditures amounted to $39 million compared with $36 million in the previous fiscal year.

Justice

Expenditures of the Department of Justice were $15 million compared with $12 million in 1966–67.

Judges salaries, allowances and pensions totalled $12 million compared with $9 million in 1966–67 and administration and general costs were $4 million compared with $3 million.

TABLE 27

(in millions of dollars)

Justice	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Judges salaries, allowances and pensions	11.8	9.4	2.4
Administration and general	3.6	2.8	0.8
	15.4	12.2	3.2

Labour

Expenditures of the Department of Labour totalled $11 million, $14 million less than in the previous fiscal year. The decrease was due mainly to outlays in respect of the winter house building incentive program which amounted to $50 thousand compared with $15 million in 1966–67.

TABLE 28

(in millions of dollars)

Labour	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Labour standards and benefits	5.5	4.9	0.6
Research and development	2.2	1.8	0.4
Winter house building incentive program	0.1	15.3	−15.2
Labour relations	1.3	1.1	0.2
Administration and general	1.8	1.8	
	10.9	24.9	−14.0

Legislation

Costs of Legislation were $18 million in 1967–68, $1 million more than in 1966–67.

TABLE 29

(in millions of dollars)

Legislation	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
House of Commons	14.3	13.9	0.4
The Senate	3.4	3.3	0.1
Library of Parliament	0.6	0.6	
	18.3	17.8	0.5

Manpower and Immigration

Expenditures of the Department of Manpower and Immigration were $422 million compared with $321 million in 1966–67.

Expenditures in respect of development and utilization of manpower totalled $389 million compared with $295 million in the previous fiscal year. These expenditures included payments of $86 million to provinces under the Technical and Vocational Training Assistance Act compared with $85 million in the previous fiscal year, payments of $119 million for capital assistance in the provision of training facilities and for assistance in manpower training research compared with $136 million, payments of $106 million to and in respect of persons who are being afforded occupational training under the adult occupational training program, for which there was no comparable expenditures in 1966–67, payments of $31 million to provinces and in respect of Indian bands under the municipal winter works incentive program, $8 million less than in 1966–67, and outlays of $32 million for employment services compared with $33 million in the previous fiscal year.

Outlays of $21 million in respect of immigration were $1 million more than in 1966–67 and outlays in respect of program development totalled $7 million compared with $1 million in the previous fiscal year.

TABLE 30

(in millions of dollars)

Manpower and Immigration	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Development and utilization of manpower—			
Capital assistance in the provision of training facilities and for assistance in manpower training research	119.3	136.2	−16.9
Adult occupational training program	106.2		106.2
Payments to provinces under the Technical and Vocational Training Assistance Act	85.6	85.2	0.4
Municipal winter works incentive program	30.5	37.8	−7.3
Employment services	32.3	32.8	−0.5
Other	15.1	2.9	12.2
	389.0	*294.9*	*94.1*
Immigration	21.6	20.5	1.1
Program development	6.6	1.4	5.2
Immigration appeal board	0.3		0.3
Administration and general	4.1	3.6	0.5
	421.6	320.4	101.2

National Health and Welfare

Expenditures of the Department of National Health and Welfare at $1,488 million were $172 million more than the previous year's total of $1,316 million, due mainly to increases of $65 million for welfare services and $101 million in respect of health insurance and resources.

Outlays for welfare services amounted to $877 million compared with $812 million in 1966–67; outlays for health insurance and resources were $549 million compared with $447 million; and outlays for medical services were $43 million compared with $39 million in the previous fiscal year.

TABLE 31

(in millions of dollars)

National Health and Welfare	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Welfare services—			
Family allowances	558.8	555.8	3.0
Canada assistance plan—payments to provinces	225.6	10.5	215.1
Unemployment assistance	6.1	143.3	−137.2
Youth allowances	49.4	47.4	2.0
Disabled persons allowances	7.1	15.0	−7.9
Old age assistance	8.9	19.7	−10.8
Fitness and amateur sport	3.6	4.7	−1.1
Family assistance	4.2	3.7	0.5
Blind persons allowances	2.3	3.4	−1.1
National welfare grants	1.9	1.3	0.6
Other	8.6	7.0	1.6
	876.5	*811.8*	*64.7*
Health insurance and resources—			
Government's contributions under the Hospital Insurance and Diagnostic Services Act	468.6	397.4	71.2
Grants to provinces—			
General health	29.6	28.6	1.0
Hospital construction	16.4	16.5	−0.1
Health resources fund	32.7	4.7	28.0
Other	1.3	0.2	1.1
	548.6	*447.4*	*101.2*
Medical services	42.5	38.5	4.0
Health services	8.6	8.4	0.2
Food and drug services	8.2	6.8	1.4
Administration and general	3.9	3.0	0.9
	1,488.3	1,315.9	172.4

Family allowances

Family allowances are payable in respect of all children under sixteen years of age, resident in Canada, with minor exceptions such as in the case of children of immigrants who must reside in Canada one year before an allowance is payable. The monthly allowance is $6 if the child is under 10 years of age and $8 in the age group 10 to 15. Children of immigrants receive family assistance at the same rates during their first year of residence in Canada.

In 1967–68 payments of $559 million accounted for 6 per cent of all budgetary expenditure compared with $556 million and 7 per cent in 1966–67.

TABLE 32

(in millions of dollars)

Family Allowances Payments	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Newfoundland	17.0	17.0	
Nova Scotia	21.4	21.5	−0.1
Prince Edward Island	3.2	3.2	
New Brunswick	18.6	18.7	−0.1
Quebec	164.7	165.1	−0.4
Ontario	187.6	185.3	2.3
Manitoba	25.4	25.6	−0.2
Saskatchewan	26.7	26.9	−0.2
Alberta	43.0	42.6	0.4
British Columbia	49.8	48.5	1.3
Northwest and Yukon Territories	1.4	1.4	
	558.8	555.8	3.0

Youth allowances

Under provision of the Youth Allowances Act allowances of $10 per month are payable in respect of persons resident in Canada who have attained the age of 16 years and have not attained the age of 18 years who are in full time attendance at a school or university or are by reason of mental or physical infirmity precluded from attending school or university. In 1967–68 payments totalled $49 million, $2 million more than in 1966–67.

No payments were made under this act in respect of persons resident in the Province of Quebec. However, under authority of the Federal-Provincial Fiscal Revision Act, 1964 abatements in federal income taxes otherwise payable by individuals resident in the Province of Quebec were allowed in compensation of the fact that the payment of youth allowances had been assumed by the province and to allow for the imposition of the required provincial income taxes.

TABLE 33

(in millions of dollars)

Youth Allowances Payments	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Newfoundland	1.7	1.7	
Nova Scotia	2.7	2.7	
Prince Edward Island	0.4	0.4	
New Brunswick	2.3	2.3	
Ontario	23.8	22.4	1.4
Manitoba	3.3	3.3	
Saskatchewan	3.5	3.4	0.1
Alberta	5.1	4.9	0.2
British Columbia	6.5	6.1	0.4
Northwest and Yukon Territories	0.1	0.2	−0.1
	49.4	47.4	2.0

Canada assistance plan

The Canada assistance plan was enacted in 1966 authorizing the making of contributions to provinces by Canada towards the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

The act authorizes the federal government to enter into agreements with the provinces for sharing the costs of assistance and welfare services provided by provinces, territories and municipalities to persons in need, including care of such persons in welfare institutions, health care services, care of children in foster homes and costs of extending and improving welfare services.

Payments to provinces under the Canada assistance plan amounted to $226 million compared with $11 million in the previous fiscal year. The substantial increase of $215 million was partially offset by decreases in payments in respect of unemployment assistance ($137 million), old age assistance ($11 million), disabled persons allowances ($8 million) and blind persons allowances ($1 million).

TABLE 34

(in millions of dollars)

Canada Assistance Plan	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Newfoundland	17.9		17.9
Nova Scotia	10.3	0.5	9.8
Prince Edward Island	1.7		1.7
New Brunswick	7.2		7.2
Ontario	100.3	6.9	93.4
Manitoba	15.6		15.6
Saskatchewan	13.4	3.1	10.3
Alberta	26.5		26.5
British Columbia	32.7		32.7
	225.6	10.5	215.1

Old age assistance, blind persons allowances, disabled persons allowances and unemployment assistance

Under the Old Age Assistance Act, the federal government reimburses the provinces by paying 50 per cent of the lesser of $75 monthly or the amount of assistance given by the provinces in the form of monthly pensions to eligible persons in need who have attained the age of 65 years. (Under the Old Age Security Act, as amended, all persons who satisfy the residence requirements of the act may receive a pension of $76.50 ($75 up to January 1, 1968) per month from the federal government out of the old age security fund provided that no pension is paid in any month before January 1966 in which the person had not attained 70 years of age, the age limit being reduced by one in each subsequent year until 1970. An amendment to the Old Age Security Act authorized, effective January 1, 1967, the payment of a monthly guaranteed income supplement to eligible pensioners. The amount of the supplement that may be paid to a pensioner for a month is (*a*) in the year 1967, $30, and (*b*) in any year after 1967, 40 per cent of the amount of the pension that may be paid to him for that month, dependent upon the amount of his income for the preceding year.)

Similarly, the federal government reimburses the provinces under the Blind Persons Act for allowances of not more than $75 per month to blind persons in need 18 years of age or over by paying 75 per cent of the total payments, and under the Disabled Persons Act by paying 50 per cent of not more than $75 per month for allowances to disabled persons in need 18 years of age or over.

In 1967–68 payments for old age assistance amounted to $9 million, for disabled persons allowances $7 million and for blind persons allowances $2 million. In 1966–67 payments were $20 million for old age assistance, $15 million for disabled persons allowances and $3 million for blind persons allowances. The Province of Quebec has opted out of these programs under federal-provincial agreement.

Under the Unemployment Assistance Act, the Minister may, with the approval of the Governor in Council, enter into an agreement with any province for the payment by Canada to the province of contributions not exceeding 50 per cent of unemployment assistance costs in the province. Contributions in 1967–68 were $6 million compared with $143 million in 1966–67. Under federal-provincial agreement the Province of Quebec has opted out of a portion of this program.

The decreases noted above were due mainly to the fact that certain contributions to the provinces which in prior years were made under the Old Age Assistance Act, the Blind Persons Act, the Disabled Persons Act and the Unemployment Assistance Act are now being made under the Canada Assistance Plan. The decrease in old age assistance payments was also due to the lowering of the age limit for old age security benefits.

The following table presents a distribution of these payments to provinces for 1967–68:

TABLE 35

(in millions of dollars)

Federal Share of Old Age Assistance, Disabled Persons Allowances, Blind Persons Allowances and Unemployment Assistance	Fiscal year ended March 31, 1968 (preliminary)			
	Old age assistance	Disabled persons allowances	Blind persons allowances	Unemployment assistance
Newfoundland	1.0	0.5	0.3	
Nova Scotia	1.1	1.6	0.4	(1)
Prince Edward Island	0.2	0.2	(1)	0.7
New Brunswick	1.1	1.0	0.4	0.1
Quebec	0.1 Cr.			0.3 Cr.
Ontario	1.4	1.1	0.3	1.7
Manitoba	1.0	0.7	0.2	0.3
Saskatchewan	0.3	0.1	0.1	
Alberta	1.3	0.8	0.3	1.6
British Columbia	1.5	1.1	0.3	1.8
Northwest and Yukon Territories	0.1	(1)	(1)	0.2
	8.9	7.1	2.3	6.1

(1) Less than $50,000.

Government's contributions under the Hospital Insurance and Diagnostic Services Act

Contributions of $468 million to the provinces under the Hospital Insurance and Diagnostic Services Act were $71 million more than the 1966–67 total. Under federal-provincial agreement, the Province of Quebec has opted out of this program.

TABLE 36

(in millions of dollars)

Government's Contributions Under the Hospital Insurance and Diagnostic Services Act	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Newfoundland	15.5	13.1	2.4
Nova Scotia	24.0	20.5	3.5
Prince Edward Island	3.4	2.7	0.7
New Brunswick	19.5	16.7	2.8
Quebec		(1)4.0	−4.0
Ontario	234.8	194.7	40.1
Manitoba	30.6	26.4	4.2
Saskatchewan	32.3	28.4	3.9
Alberta	49.8	42.0	7.8
British Columbia	57.4	47.8	9.6
Northwest and Yukon Territories	1.3	1.1	0.2
	468.6	397.4	71.2

(1) Adjustment for 1964.

General health grants and hospital construction grants to provinces

Grants to provinces for general health services totalled $30 million and for hospital construction $16 million compared with $29 million and $17 million respectively in 1966–67. Under federal-provincial agreement the Province of Quebec has opted out of a portion of this program.

TABLE 37

(in millions of dollars)

General Health Grants and Hospital Construction Grants	Fiscal year ended March 31, 1968 (preliminary)		
	General health grants	Hospital construction grants	Total
Newfoundland	1.1	0.5	1.6
Nova Scotia	1.6	0.7	2.3
Prince Edward Island	0.4	(1)	0.4
New Brunswick	1.3	0.3	1.6
Quebec	1.5	2.4	3.9
Ontario	12.9	6.9	19.8
Manitoba	2.3	0.7	3.0
Saskatchewan	1.9	1.0	2.9
Alberta	2.7	1.5	4.2
British Columbia	3.7	2.4	6.1
Northwest and Yukon Territories	0.2	(1)	0.2
	29.6	16.4	46.0

(1) Less than $50,000.

Health resources fund

The Health Resources Fund Act provides for the establishment of a health resources fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

Expenditures amounted to $33 million during 1967–68 compared with $5 million in the previous fiscal year.

National Research Council, including the Medical Research Council

Expenditures of the National Research Council, including the Medical Research Council, were $122 million compared with $95 million in the previous fiscal year.

Outlays for scholarships and grants in aid of research at $66 million were $20 million higher than in 1966–67 and costs of administration, operation and maintenance at $41 million were $4 million higher.

TABLE 38

(in millions of dollars)

National Research Council, Including The Medical Research Council	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Scholarships and grants in aid of research	66.0	46.5	19.5
Construction or acquisition of buildings, works, land and equipment	9.3	7.1	2.2
Assistance towards research in industry	5.0	4.2	0.8
Administration, operation and maintenance	41.4	36.9	4.5
	121.7	94.7	27.0

National Revenue

Expenditures of the Department of National Revenue totalled $115 million compared with $106 million in 1966–67.

Outlays of $57 million in respect of customs and excise were $3 million higher and included $35 million for the operation and maintenance of ports ($35 million in 1966–67), $13 million in connection with excise tax, excise duty, investigations and drawbacks ($11 million in the previous year) and $9 million for general administration ($8 million in 1966–67).

Outlays of $58 million in respect of taxation were $6 million higher than in 1966–67 due mainly to outlays for district offices which totalled $52 million compared with $46 million in 1966–67.

TABLE 39

(in millions of dollars)

National Revenue	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Customs and excise	56.7	53.8	2.9
Taxation	58.1	51.8	6.3
Income tax appeal board	0.3	0.3	
	115.1	105.9	9.2

Post Office

Costs of the Post Office Department charged to budgetary expenditure at $302 million were $33 million more than in 1966–67 due mainly to normal staff growth and to salary increases.

Costs of operations at $206 million were $24 million more than in the previous fiscal year and costs of movement of mail at $87 million were $8 million more.

Remuneration of postmasters and staffs at revenue and semi-staff offices and certain other authorized disbursements are paid from revenue. These payments at $45 million ($3 million more than in 1966–67) brought gross post office expenditures to $347 million in 1967–68.

TABLE 40

(in millions of dollars)

Post Office	Fiscal year ended March 31		Increase or decrease (–)
	1968 (preliminary)	1967	
Charged to budgetary expenditure—			
Operations—salaries and other expenses of staff post offices, district offices and railway mail services; and supplies and equipment and other items for revenue post offices	205.6	181.8	23.8
Transportation—movement of mail by land, air and water	87.1	78.9	8.2
Financial services	4.6	4.1	0.5
Administration and general	4.5	3.7	0.8
	301.8	*268.5*	*33.3*
Charged to revenue—			
Operations—salaries of postmasters and staffs at revenue and semi-staff offices, commissions paid at sub-offices and other disbursements	45.5	42.1	3.4
	347.3	310.6	36.7

Public Works

Expenditures of the Department of Public Works totalled $309 million, $14 million more than in 1966–67.

Accommodation services

Expenditures for these services were $134 million, $25 million higher than the 1966-67 total.

Costs of maintenance and operation of public buildings and grounds were $85 million compared with $76 million in 1966–67, costs of construction or acquisition of buildings, etc. were $48 million compared with $32 million and costs of acquisition of equipment and furnishings other than office furnishings were $1 million compared with $1 million in 1966–67.

Roads, bridges and other engineering services

Expenditures for these services totalled $84 million, $12 million less than in 1966–67. Contributions of $65 million to provinces in respect of the Trans-Canada highway were $16 million less than in 1966–67.

Harbours and rivers engineering services

Expenditures for these services totalled $44 million, $6 million higher than in 1966–67 due mainly to an increase of $6 million in outlays for construction or acquisition, etc. of harbour and river works which amounted to $35 million in 1967–68.

National Capital Commission

Expenditures of the National Capital Commission were $23 million compared with $33 million in the previous fiscal year.

Payments into the national capital fund were $15 million, $10 million less than in 1966–67. Outlays for the operation and maintenance of parks, parkways, etc. at $5 million and interest charges of $3 million were slightly higher than in the previous year.

TABLE 41

(in millions of dollars)

Public Works	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Accommodation services—			
Maintenance and operation of public buildings and grounds—			
National capital region	35.1	28.4	6.7
Other than national capital region	49.6	41.8	7.8
Office furniture and furnishings		5.3	−5.3
Acquisition of equipment and furnishings other than office furnishings	1.4	0.8	0.6
Construction, acquisition, major repairs, etc. of public buildings—			
Ottawa	24.8	13.8	11.0
Other than Ottawa	22.9	18.4	4.5
	133.8	*108.5*	*25.3*
Roads, bridges and other engineering services—			
Operation and maintenance	6.7	6.0	0.7
Construction, acquisition, major repairs and improvements of, and plans and sites for, roads, bridges and other engineering works	10.4	8.0	2.4
Trans-Canada highway—			
Contributions to provinces under terms of the Trans-Canada Highway Act	64.7	81.0	−16.3
Construction through national parks	2.0	0.6	1.4
	83.8	*95.6*	*−11.8*
Harbours and rivers engineering services—			
Operation and maintenance	7.6	7.5	0.1
Construction or acquisition of equipment	0.9	1.0	−0.1
Construction, acquisition, major repairs, etc. of harbour and river works	35.2	29.4	5.8
Dry dock subsidies	0.2	0.2	
	43.9	*38.1*	*5.8*
National Capital Commission—			
Operation and maintenance	5.3	4.7	0.6
Interest charges (net)	3.3	3.3	
Payment to the national capital fund	14.6	25.0	−10.4
	23.2	*33.0*	*−9.8*
Testing laboratories	1.2	1.2	
Administration and general	22.7	18.0	4.7
	308.6	294.4	14.2

Secretary of State

Expenditures of the Department of the Secretary of State were $190 million compared with $134 million in 1966–67.

Payments to provinces for post-secondary education, pursuant to Part II of the Federal-Provincial Fiscal Arrangements Act, 1967, totalled $108 million. In prior years the government made comparable payments to the association of universities and colleges of Canada for the purpose of making grants to universities of higher learning. These payments amounted to $87 million in 1966–67.

Centennial Commission expenditures of $31 million were $1 million higher than in 1966–67 due mainly to an increase in outlays for programs and projects of national significance.

The Canada Council received a grant of $17 million in 1967–68 for the purposes of the arts, humanities and social sciences, for which there was no comparable expenditure in the previous year.

Expenditures of the National Arts Centre for construction or acquisition of buildings, works, land and equipment were $20 million, $13 million higher than in 1966–67.

Outlays of $4 million in respect of the translation bureau, $4 million in respect of the National Museum of Canada and $3 million in respect of citizenship were in each case $1 million more than in the previous fiscal year.

TABLE 42

(in millions of dollars)

Secretary of State	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Post-secondary education payments—			
Payments to provinces pursuant to Part II of the Federal-Provincial Fiscal Arrangements Act, 1967	108.0		108.0
University grants	0.2	87.1	−86.9
Centennial Commission—			
Programs and projects of national significance	13.4	12.5	0.9
Payment to the centennial of confederation fund	13.2	13.0	0.2
General administration	4.6	4.7	−0.1
	31.2	*30.2*	*1.0*
Grant to the Canada Council	16.9		16.9
National Arts Centre—			
Construction or acquisition of buildings, works, land and equipment	19.5	6.4	13.1
Administration		0.2	−0.2
	19.5	*6.6*	*12.9*
Translation bureau	4.1	3.5	0.6
National Museum of Canada	3.7	2.6	1.1
Citizenship	3.3	2.6	0.7
Payments to the National Arts Centre Corporation	1.0	(1)	1.0
Office of the Representation Commissioner	0.1	0.2	−0.1
Administration and general	1.9	1.0	0.9
	189.9	133.8	56.1

(1)Less than $50,000.

Solicitor General

Expenditures of the Department of the Solicitor General totalled $154 million, $9 million more than the previous year's total. The main changes were increases of $5 million in respect of correctional services and $4 million in respect of the Royal Canadian Mounted Police.

TABLE 43

(in millions of dollars)

Solicitor General	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Royal Canadian Mounted Police—			
National police services, federal law enforcement duties and provincial and municipal policing under contract—			
Administration, operation and maintenance	61.9	64.4	−2.5
Construction or acquisition of buildings, works, land and equipment	10.0	6.0	4.0
Pensions and other benefits—			
Pensions	5.4	4.9	0.5
Royal Canadian Mounted Police superannuation account—			
Government's contribution	4.2	4.5	−0.3
Amortization of deferred charges	5.3	3.3	2.0
Other	0.9	1.0	−0.1
	87.7	*84.1*	*3.6*
Correctional services—			
Administration of the Canadian penitentiary service	1.0	1.0	
Operation and maintenance of penitentiaries	39.1	37.1	2.0
Parole Act administration	1.6	1.3	0.3
Construction or acquisition of buildings, works, land and equipment	23.1	20.2	2.9
	64.8	*59.6*	*5.2*
Office of the Solicitor General	1.0	0.6	0.4
	153.5	144.3	9.2

Royal Canadian Mounted Police

Net expenditures of the Royal Canadian Mounted Police were $88 million, $4 million more than in 1966–67.

However, in 1967–68 authority was granted by Vote 15, Appropriation Act No. 3, 1967, which covers expenditures for administration, operation and maintenance, to credit thereto revenue arising from expenditures under that vote. This revenue amounted to $31 million and included $30 million for policing certain provinces, territories and municipalities. In 1966–67 revenue amounted to $18 million of which $17 million was for policing services. The increase in revenue from policing services was due to an increase in the rates and in the number of employees required for these services and due to payments of $4 million collected in 1967–68 which were applicable to the previous year.

Correctional services

Expenditures of $65 million in respect of correctional services were $5 million more than in 1966–67 and included outlays of $39 million for operation and maintenance of penitentiaries compared with $37 million in 1966–67 and outlays of $23 million for construction or acquisition of buildings, works, land and equipment compared with $20 million in the previous fiscal year.

Trade and Commerce

Expenditures of the Department of Trade and Commerce including the Canadian Wheat Board were $81 million compared with $73 million in 1966–67.

The main changes were increases of $4 million in outlays in respect of the Canadian Wheat Board and $2 million in administration and general costs.

TABLE 44

(in millions of dollars)

Trade and Commerce	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Canadian Wheat Board—			
Carrying costs of temporary wheat reserves	31.4	29.8	1.6
Prairie Grain Advance Payments Act	0.7	0.6	0.1
Payment to the board	2.7		2.7
	34.8	*30.4*	*4.4*
Trade commissioner service	10.3	9.0	1.3
Canadian government travel bureau	10.0	10.0	
Canadian corporation for the 1967 world exhibition—Canadian government participation	7.0	8.4	−1.4
Standards branch	4.2	3.9	0.3
Canadian government exhibition commission	5.4	4.3	1.1
Administration and general	9.7	7.5	2.2
	81.4	73.5	7.9

Transport

Expenditures of the Department of Transport including the Atlantic Development Board, the Canadian Transport Commission and the National Harbours Board totalled $607 million compared with $568 million in 1966–67.

Expenditures in respect of the Air Transport Board, the Board of Transport Commissioners for Canada and the Canadian Maritime Commission were transferred to the control of the Canadian Transport Commission under this department and capital subsidies for the construction of commercial and fishing vessels, which were previously included under expenditures of the Canadian Maritime Commission, are now included under non-defence expenditure of the Department of Industry. Previous year's figures have been adjusted for purposes of comparison.

TABLE 45
(in millions of dollars)

Transport	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Air services—			
Administration, operation and maintenance	125.8	110.8	15.0
Construction, acquisition of buildings, works, land and equipment	45.9	52.0	−6.1
Grants, contributions, subsidies and other payments	3.3	2.2	1.1
	175.0	*165.0*	*10.0*
Canadian Transport Commission[1]—			
Payments under the National Transportation Act	126.2	120.9	5.3
Contributions to the railway grade crossing fund	15.0	15.0	
Steamship subventions	11.1	10.8	0.3
Subsidies to air carriers	1.2	0.4	0.8
Administration and general	3.4	3.0	0.4
	156.9	*150.1*	*6.8*
Railways and steamships—			
Construction or acquisition	24.5	27.3	−2.8
Maritimes Freight Rates Act—Difference between tariffs and normal tolls	14.2	14.4	−0.2
Railway to Great Slave Lake	4.4	1.3	3.1
Victoria Bridge	0.9	0.8	0.1
Deficits—			
Canadian National Railways	35.8	24.6	11.2
Newfoundland ferry and terminals	16.5	13.0	3.5
Prince Edward Island car ferry and terminals	4.8	4.6	0.2
Yarmouth, N.S.—Bar Harbour, Maine, U.S.A. ferry service	0.4	[2]	0.4
Railway employees provident fund	6.6		6.6
Other	0.6	0.9	−0.3
	108.7	*86.9*	*21.8*
Marine services—			
Administration, operation and maintenance	55.1	50.7	4.4
Construction or acquisition of buildings, works, land, vessels and equipment	46.3	49.3	−3.0
	101.4	*100.0*	*1.4*
Atlantic Development Board—			
Payments to the Atlantic development fund	18.6	29.6	−11.0
Federal share of the cost of a trunk highway program	19.3	8.6	10.7
Administration and general	4.5	1.8	2.7
	42.4	*40.0*	*2.4*
Canals and works entrusted to The St. Lawrence Seaway Authority—			
Welland Canal deficit	8.2	10.1	−1.9
Other operating deficits and capital requirements	2.4	2.8	−0.4
	10.6	*12.9*	*−2.3*
National Harbours Board	4.8	7.0	−2.2
Administration and general	7.1	6.3	0.8
	606.9	568.2	38.7

[1]Expenditures of the Air Transport Board, the Board of Transport Commissioners and the Canadian Maritime Commission are included under this heading.

[2]Less than $50,000.

Air services

Outlays of $175 million for air services were $10 million higher than in 1966–67. There was an increase of $15 million in respect of administration, operation and maintenance and a decrease of $6 million in respect of construction or acquisition of buildings, works, land and equipment.

Canadian Transport Commission

Expenditures of $157 million in respect of the Canadian Transport Commission included $126 million for payments under the National Transportation Act, $15 million for contributions to the railway grade crossing fund, $11 million for steamship subventions, $1 million for subsidies to air carriers and $4 million for administration and general. In 1966–67 total expenditures were $150 million which included $116 million for payments to the railways for the maintenance of the rates of freight traffic, $15 million for contributions to the railway grade crossing fund, $11 million for steamship subventions, $5 million for maintenance of trackage, $3 million for administration and general and $355 thousand for subsidies to air carriers.

Railways and steamships

Expenditures for these services totalled $109 million compared with $87 million in the previous fiscal year.

Costs of construction or acquisition of buildings, works, land, dock and terminal facilities at $25 million were $3 million less than in 1966–67; payments under the Maritime Freight Rates Act at $14 million were the same as in 1966–67; and the subsidy of $5 million in respect of a railway to Great Slave Lake was $3 million higher than in the previous year.

The charge of $36 million to budgetary expenditure in 1967–68 to cover the 1967 operating deficit of the Canadian National Railways was $11 million more than the charge of $25 million in 1966–67 to cover the railway's 1966 operating deficit.

Marine services

Outlays of $101 million for marine services were $1 million more than in 1966–67. Included in these expenditures were $55 million for administration, operation and maintenance compared with $51 million in 1966–67 and $46 million for construction or acquisition of buildings, works, land, vessels and equipment compared with $49 million in the previous year.

Atlantic Development Board

Outlays of $42 million in respect of the Atlantic Development Board were $2 million higher than in 1966–67. Outlays for the federal share of the cost of a trunk highway program for the Atlantic provinces totalled $19 million compared with $9 million in 1966–67 and payments to the Atlantic Development Fund were $19 million compared with $30 million in 1966–67.

Canals and works entrusted to The St. Lawrence Seaway Authority

Expenditures of $11 million were $2 million less than in 1966–67. The 1967 operating deficit of the Welland Canal, in the amount of $8 million, charged to budgetary expenditure was $2 million less than the 1966 deficit of $10 million which was charged to 1966–67 expenditures.

National Harbours Board

Non-active advances to the board which were charged to budgetary expenditure totalled $5 million, $2 million less than in 1966–67. The net decrease reflects decreases in respect of reconstruction and capital expenditures of the Halifax harbour and $1 million in the operating deficit of the Jacques Cartier Bridge, Montreal, offset by an increase of $1 million in respect of reconstruction and capital expenditure of the Quebec harbour.

Treasury Board

Expenditures of the Treasury Board amounted to $159 million, an increase of $5 million over the total for 1966–67.

Public service superannuation account

The government's contribution to the public service superannuation account, in an amount equal to the estimated current and prior service payments of individuals in 1966–67, was $60 million, the same as in 1966–67.

A further amount of $61 million, equal to one fifth of the actuarial deficiencies arising out of pay increases, was also charged to budgetary expenditure, compared with $56 million in 1966–67.

Canada's contributions as an employer

These contributions totalled $21 million compared with $20 million in 1966–67. The main item was $17 million to the Canada and Quebec pension plans compared with $17 million in 1966–67.

TABLE 46

(in millions of dollars)

Treasury Board	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Public service superannuation account—			
Government's contribution	59.6	59.3	0.3
Amortization of deferred charges	60.6	56.3	4.3
	120.2	*115.6*	*4.6*
Government's contributions as an employer—			
Canada pension plan and the Quebec pension plan	17.3	16.8	0.5
Unemployment insurance fund	1.4	1.2	0.2
Death benefit account	1.7	1.4	0.3
Pension plans for employees, engaged locally outside Canada	0.2	0 1	0.1
Hospital insurance (outside Canada) plan	0.3	0.2	0.1
	20.9	*19.7*	*1.2*
Government's share of surgical-medical insurance premiums	11.2	13.6	−2.4
Payments under Public Service Pension Adjustment Act	1.9	2.0	−0.1
Administration and general	4.4	2.5	1.9
	158.6	153.4	5.2

Unemployment Insurance Commission

Expenditures for the commission amounted to $107 million including the government's contribution of $70 million to the unemployment insurance fund. In 1966–67 expenditures were $106 million of which $69 million was the government's contribution to the fund.

Unemployment benefit payments are not charged to budgetary expenditure but are paid from the fund which is financed by equal contributions from employees and employers, by interest earned on investments and by the govern-

ment's contribution of an amount equal to one fifth of the combined employee-employer contributions. Further information is given under the liability category "annuity, insurance and pension accounts".

TABLE 47

(in millions of dollars)

Unemployment Insurance Commission	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Government's contribution to the unemployment insurance fund	69.5	68.8	0.7
Administration of the Unemployment Insurance Act	37.6	37.3	0.3
	107.1	106.1	1.0

Veterans Affairs

Expenditures of the Department of Veterans Affairs totalled $401 million compared with $391 million in the previous fiscal year.

War veterans allowances and civilian allowances at $98 million were $5 million less than in 1966–67, pensions for disability and death at $206 million were $10 million higher and costs of $61 million for treatment services were $4 million higher than in the previous fiscal year.

TABLE 48

(in millions of dollars)

Veterans Affairs	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Pensions—			
Disability and death	205.6	195.9	9.7
Administration and general	3.1	3.1	
	208.7	*199.0*	*9.7*
Welfare services, allowances and other benefits—			
War veterans allowances and civilian allowances	98.4	103.6	−5.2
Assistance under provisions of the Assistance Fund (War Veterans Allowances) Regulations	6.4	5.9	0.5
Veterans welfare services	2.6	2.7	−0.1
Administration and general	6.8	6.5	0.3
	114.2	*118.7*	*−4.5*
Treatment services	61.4	57.9	3.5
Soldier settlement and veterans land act—			
Provision for reserve for conditional benefits	4.0	3.5	0.5
Administration and general	5.5	5.2	0.3
	9.5	*8.7*	*0.8*
Administration and general	7.0	6.5	0.5
	400.8	390.8	10.0

All Other Departments

Expenditures of the departments not dealt with individually amounted to $72 million, an increase of $15 million over the total for 1966–67.

Expenditures which in previous years were shown under the Department of the Registrar General are now under the new Department of Consumer and Corporate Affairs which was established by the Consumer and Corporate Affairs Act, as passed by the House of Commons on November 27, 1967.

The main changes were increases of $5 million for the Privy Council Office due mainly to increases of $2 million in outlays for state visits and $2 million in respect of the Company of Young Canadians, and $3 million for the Public Service Commission due mainly to increased expenditures in respect of the bilingual and bicultural development program.

TABLE 49

(in millions of dollars)

All Other Departments	Fiscal year ended March 31		Increase or decrease (—)
	1968 (preliminary)	1967	
Auditor General's Office	2.3	2.1	0.2
Board of Broadcast Governors	1.0	0.6	0.4
Office of the Chief Electoral Officer	0.7	0.9	—0.2
Consumer and Corporate Affairs	7.6	5.5	2.1
Defence Production[1]	9.5	9.3	0.2
Governor General and Lieutenant-Governors	1.0	0.8	0.2
Insurance	1.9	1.7	0.2
National Film Board	9.3	8.0	1.3
National Gallery of Canada	2.9	1.9	1.0
Privy Council	12.5	7.9	4.6
Public Archives and National Library	3.6	2.7	0.9
Public Printing and Stationery	4.9	4.0	0.9
Public Service Commission	13.4	10.8	2.6
Public Service Staff Relations Board	1.0	[2]	1.0
	71.6	56.2	15.4

[1] See also under defence expenditure at the beginning of this section.
[2] Less than $50,000.

ASSET AND LIABILITY ACCOUNTS

The assets and liabilities of the Government of Canada as at March 31, 1968, the comparable balances at March 31, 1967 and the changes in each category during 1967–68 are shown in condensed form in the following table:

TABLE 50

(in millions of dollars)

	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
LIABILITIES			
Current and demand liabilities	2,310.6	1,672.1	638.5
Deposit and trust accounts	474.7	372.2	102.5
Annuity, insurance and pension accounts	9,053.0	7,915.9	1,137.1
Undisbursed balances of appropriations to special accounts	93.1	76.6	16.5
Refundable corporation tax	235.3	196.2	39.1
Provision for estimated premium on redemption of bonds	26.0	20.0	6.0
Deferred credits	149.9	142.8	7.1
Suspense accounts	3.8	4.1	−0.3
Unmatured debt	20,579.9	19,940.2	639.7
Total liabilities	32,926.3	30,340.1	2,586.2
ASSETS			
Current assets	1,530.4	1,394.0	136.4
Cash in blocked currency	2.1	2.1	
Advances to the exchange fund account	2,033.3	2,355.0	−321.7
Investments in United States dollar securities issued by other than the Government of Canada	122.6	180.0	−57.4
Canada pension plan investment fund	1,280.8	615.5	665.3
Investments held for the retirement of unmatured debt	8.1	3.2	4.9
Loans to, and investments in, Crown corporations	7,939.4	6,728.6	1,210.8
Loans to national governments	1,206.1	1,201.6	4.5
Other loans and investments	1,945.9	1,714.0	231.9
Securities held in trust	59.8	50.9	8.9
Deferred charges	492.0	581.8	−89.8
Capital assets	(1)	(1)	
Inactive loans and investments	94.8	94.8	
Total recorded assets	16,715.3	14,921.5	1,793.8
Less reserve for losses on realization of assets	−546.4	−546.4	
Net recorded assets	16,168.9	14,375.1	1,793.8
Net debt represented by excess of liabilities over net recorded assets	16,757.4	15,965.0	(2)792.4

(1) Shown at nominal value of $1.

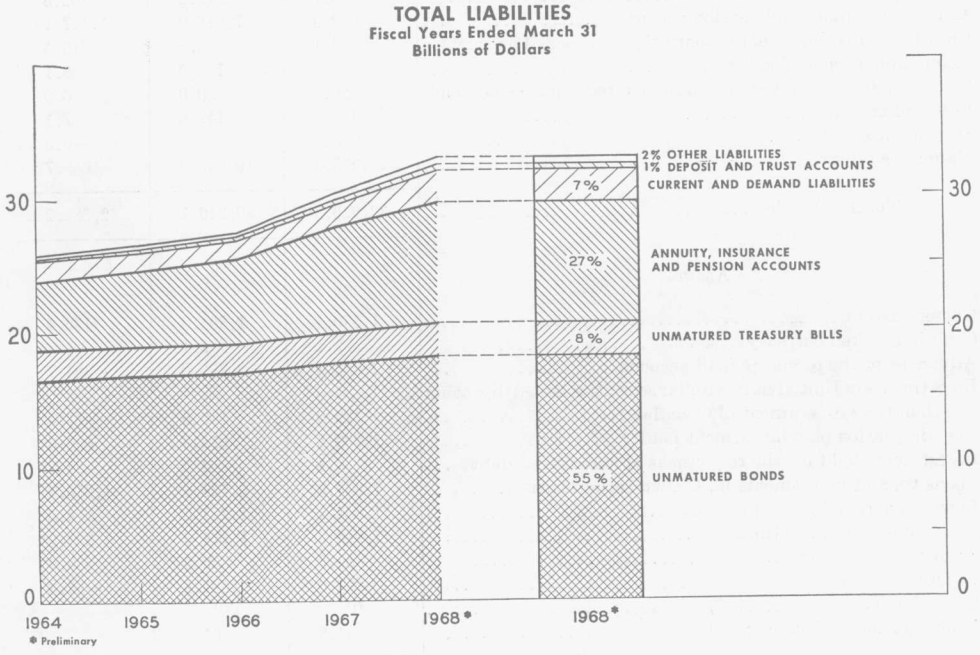
(2) Reflecting the budgetary deficit of $792.4 million.

Summary

The gross liabilities of the government totalled $32,926 million at March 31, 1968 compared with $30,340 million at March 31, 1967. The main changes were increases of $1,137 million in annuity, insurance and pension accounts, $640 million in unmatured debt, $639 million in current and demand liabilities and $103 million in deposit and trust accounts.

Net recorded assets totalled $16,169 million at March 31, 1968 compared with $14,375 million at March 31, 1967. The main changes were increases of $1,211 million in loans to, and investments in, Crown corporations, $665 million in the Canada pension plan investment fund, $232 million in other loans and investments and $136 million in current assets, and decreases of $322 million in advances to the exchange fund account and $90 million in deferred charges.

The net debt of Canada, or the excess of liabilities over net recorded assets, was $16,757 million at March 31, 1968 compared with $15,965 million at March 31, 1967.



Liability Accounts

Current and demand liabilities

These liabilities, which consist of obligations of the government payable currently or on demand, in the amount of $2,311 million were $639 million more than the total at March 31, 1967.

The main changes were increases of $450 million in non-interest-bearing notes, $66 million in accounts payable, $45 million in outstanding treasury cheques and $50 million in interest due and outstanding.

Non-interest-bearing notes represent those portions of Canada's equities in the capital of certain international agencies which are not covered by cash or gold. Notes in respect of the international monetary fund in the amount of $791 million were $452 million more than at March 31, 1967 and notes in respect of the international development association were $3 million less than at March 31, 1967.

TABLE 51

(in millions of dollars)

Current and Demand Liabilities	Balance at March 31		Increase or decrease (—)
	1968 (preliminary)	1967	
Outstanding treasury cheques	427.4	382.6	44.8
Accounts payable	520.2	454.5	65.7
Non-interest-bearing notes payable to—			
The international monetary fund	791.0	339.0	452.0
The international development association	23.0	26.0	—3.0
The Asian development bank	2.7	1.4	1.3
	816.7	*366.4*	*450.3*
Matured debt outstanding	26.0	30.7	—4.7
Interest due and outstanding	161.6	111.3	50.3
Interest accrued	315.3	286.2	29.1
Post office outstanding money orders	34.9	29.2	5.7
Outstanding letter of credit cheques	6.1	7.5	—1.4
Other current liabilities	2.4	3.7	—1.3
	2,310.6	1,672.1	638.5

Deposit and trust accounts

Sundry funds deposited with, or held in trust by, the Receiver General of Canada for various purposes are recorded in these accounts.

There was a net increase of $103 million during 1967–68 bringing the total to $475 million at March 31, 1968. There were increases of $25 million in the Canadian Dairy Commission account, $28 million in the provincial tax collection agreements account, $9 million in guarantee deposits and $38 million in a new account for the Canadian Commercial Corporation.

TABLE 52

(in millions of dollars)

Deposit and Trust Accounts	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Indian trust funds	34.0	33.7	0.3
Guarantee deposits—			
Energy, Mines and Resources	15.2	9.9	5.3
Indian Affairs and Northern Development	28.5	25.3	3.2
National Revenue	5.6	5.4	0.2
	49.3	*40.6*	*8.7*
Post office savings bank	18.6	20.8	−2.2
Crown corporations deposits—			
Atomic Energy of Canada Limited	3.0	4.0	−1.0
Crown Assets Disposal Corporation	0.7	0.7	
Eldorado Mining and Refining Limited	6.0	10.0	−4.0
Export Credits Insurance Corporation	14.0	14.0	
Northern Ontario Pipe Line Crown Corporation		0.7	−0.7
	23.7	*29.4*	*−5.7*
Canadian Pension Commission—administration trust fund	16.6	16.0	0.6
National Harbours Board—special accounts	16.8	17.2	−0.4
Instalment purchase of bonds, public service	16.2	16.3	−0.1
Contractors holdbacks	14.9	14.9	
Contractors securities—sundry departments			
Bonds	2.7	2.5	0.2
Cash	1.3	1.1	0.2
Certified cheques	0.2	0.3	−0.1
	4.2	*3.9*	*0.3*
Army benevolent fund	5.0	5.2	−0.2
Canadian Arsenals Limited pension fund		1.0	−1.0
Canadian Commercial Corporation—special deposit	38.2		38.2
Canadian Dairy Commission	25.2	(1)	25.2
Capital cost allowances—commercial and fishing vessels	4.0	4.3	−0.3
Cape Breton Development Corporation	2.1		2.1
Common school funds—Ontario and Quebec	2.7	2.7	
Emergency gold mining assistance—holdbacks	2.3	2.4	−0.1
Federal Republic of Germany		0.5	−0.5
Immigration guarantee fund	1.6	1.9	−0.3
National Research Council—special fund	2.1	2.2	−0.1
Northwest Territories revenue account		1.4	−1.4
Permanent services deferred pay	2.6	3.4	−0.8
Prairie farm emergency fund	13.0	10.8	2.2
Provincial tax collection agreements account	120.2	92.5	27.7
Replacement of materiel, sec. 11, National Defence Act	0.6	0.6	
Royal Canadian Mint—prepayments	4.5	4.0	0.5
Surplus Crown assets	31.1	24.3	6.8
United States of America	0.6	0.9	−0.3
Veterans care trust fund	4.2	3.4	0.8
Veterans land act trust account—general	8.9	7.5	1.4
Other	11.5	10.4	1.1
	474.7	372.2	102.5

(1) Less than $50,000.

Annuity, insurance and pension accounts

This category records the government's liability in respect of various annuity, insurance and pension accounts.

During 1967–68 a net increase of $1,137 million brought the total to $9,053 million. The main changes were increases of $672 million in the Canada pension plan account, $186 million in the public service superannuation account, $146 million in the Canadian forces superannuation account and $107 million in the old age security fund.

TABLE 53

(in millions of dollars)

Annuity, Insurance and Pension Accounts	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Unemployment insurance fund	320.3	280.4	39.9
Less investment in bonds and accrued interest	−303.9	−266.6	−37.3
Uninvested funds on deposit with the government	16.4	13.8	2.6
Superannuation accounts—			
Public service	2,875.8	2,689.5	186.3
Canadian forces	2,723.3	2,577.0	146.3
Royal Canadian Mounted Police	104.7	85.1	19.6
	5,703.8	*5,351.6*	*352.2*
Canada pension plan account	1,352.8	680.9	671.9
Government annuities	1,326.1	1,324.5	1.6
Old age security fund	536.1	429.6	106.5
Other	117.8	115.5	2.3
	9,053.0	7,915.9	1,137.1

Unemployment insurance fund

The balance in the fund at March 31, 1968 was $320 million (of which $18 million represented a liability for unredeemed warrants and deposits from employers) consisting of $304 million invested in special government bonds (including accrued interest) and $16 million on deposit with the Receiver General. The balance in the fund at March 31, 1967 was $280 million (of which $22 million represented a liability for unredeemed warrants and deposits from employers) consisting of $266 million invested in special government bonds (including accrued interest) and $14 million on deposit with the government.

Receipts of $433 million during the fiscal year included employee and employer contributions of $347 million, the government's contribution of $70 million and $16 million in interest from investments. As benefit payments totalled $389 million, receipts exceeded payments from the fund by $44 million during 1967–68. Receipts during 1966–67 totalled $424 million and included employee and employer contributions of $344 million, the government's contribution of $69 million and $11 million in income from investments. Benefit payments during 1966–67 totalled $307 million.

TABLE 54

(in millions of dollars)

Unemployment Insurance Fund	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Revenue—					
Contributions—					
Employee and employer[1]	296.6	310.8	328.3	343.8	347.4
Government[2]	59.3	62.1	65.7	68.8	69.5
Net income from investments	1.1	1.8	4.7	10.9	15.9
Other income	0.1	0.1	0.1	0.2	0.2
	357.1	374.8	398.8	423.7	433.0
Expenditure—					
Benefit payments	−365.7	−335.0	−297.8	−307.0	−388.6
Interest on loan	−0.2	−0.2			
Excess of revenue over expenditure or expenditure over revenue(−)	−8.8	39.6	101.0	116.7	44.4
Balance at credit of fund at fiscal year-end	0.9	40.5	141.5	258.2	302.7
Unredeemed benefit warrants and deposits from employers	15.9	17.8	20.6	22.2	17.6
	16.8	58.3	162.1	280.4	320.3
Investment in bonds and accrued interest		−44.0	−148.6	−266.6	−303.9
Balance on deposit with the government	16.8	14.3	13.5	13.8	16.4

[1] Contributions by employees and employers are on an equal basis.
[2] Government's contribution is equal to 20 per cent of the combined employee-employer contributions.

Public service superannuation account

The balance of $2,876 million in this account was $186 million higher than the balance at the end of the previous fiscal year.

Receipts of $270 million during the year included credits of $22 million to provide for additional liabilities arising out of salary revisions made in 1967–68, contributions of $72 million by individuals, the government's contribution of $60 million, contributions of $5 million by certain Crown corporations and interest of $111 million credited to the account by the government. Contributions by the government were equal to the estimated current and prior service payments of individuals in 1966–67. Contributions by Crown corporations were equal to the estimated current and prior service payments of individuals in 1967–68. Interest at 4 per cent per annum is credited to the account quarterly and is computed quarterly on the outstanding balance at the end of the previous quarter.

The credit of $22 million to provide for additional liabilities arising out of salary increases was charged to the asset account "unamortized portions of actuarial deficiencies".

Disbursements totalled $84 million and included $68 million in annuities and $11 million in withdrawals of contributions.

In 1966–67 receipts totalled $374 million and disbursements totalled $75 million.

TABLE 55
(in millions of dollars)

Public Service Superannuation Account	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Receipts—					
Contributions—					
Employees (government and Crown corporations)	59.2	61.1	(1)66.0	(2)58.6	72.0
Crown corporations	3.0	3.4	3.7	3.8	5.0
Government	54.0	55.6	57.8	59.3	59.6
Interest	71.8	78.7	89.5	98.5	110.9
Actuarial liability adjustment		169.5	79.6	152.2	21.5
Other	1.1	1.3	1.9	1.6	1.4
	189.1	369.6	298.5	374.0	270.4
Disbursements—					
Annuities	−47.8	−52.6	−57.7	−62.8	−68.2
Withdrawals of contributions	−8.4	−10.8	−11.3	−11.1	−10.8
Other	−0.6	−0.8	−0.9	−1.0	−5.1
	−56.8	−64.2	−69.9	−74.9	−84.1
Excess of receipts over disbursements	132.3	305.4	228.6	299.1	186.3
Balance in fund brought forward	1,724.1	1,856.4	2,161.8	2,390.4	2,689.5
Balance at credit of fund	1,856.4	2,161.8	2,390.4	2,689.5	2,875.8

(1) Includes $4.1 million due to dual contributions temporarily required in respect of the Canada and Quebec pension plans.
(2) Net after deduction of $8.7 million in respect of the Canada and Quebec pension plans.

Canadian forces superannuation account

The balance of $2,723 million at March 31, 1968 reflected an increase of $146 million during the fiscal year.

TABLE 56
(in millions of dollars)

Canadian Forces Superannuation Account	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Receipts—					
Contributions—					
Personnel	36.0	35.2	34.1	(1)25.1	34.2
Government	136.2	58.8	58.8	42.6	58.4
Interest	66.3	75.0	83.2	91.7	105.2
Actuarial liability		67.2	16.6	279.2	
Other	0.2	0.2	0.3	0.3	0.3
	238.7	236.4	193.0	438.9	198.1
Disbursements—					
Pensions and retiring allowances	−13.4	−18.6	−26.7	−36.8	−45.7
Cash termination allowances and return of contributions	−9.5	−11.0	−10.1	−9.2	−6.0
Other	−0.1	−0.2	−0.1	−0.1	−0.1
	−23.0	−29.8	−36.9	−46.1	−51.8
Excess of receipts over disbursements	215.7	206.6	156.1	392.8	146.3
Balance in fund brought forward	1,605.8	1,821.5	2,028.1	2,184.2	2,577.0
Balance at credit of fund	1,821.5	2,028.1	2,184.2	2,577.0	2,723.3

(1) Net after deduction of $5.1 million transferred to the Canada and Quebec pension plans.

Receipts of $198 million included $34 million in contributions by personnel, $58 million in regular government contributions and $105 million in interest credited by the government. Regular government contributions are made at the rate of one and two-thirds times the current and prior service contributions by personnel. Interest at 4 per cent per annum is credited to the account quarterly and is computed quarterly on the outstanding balance at the end of the previous quarter.

Disbursements of $52 million included $46 million in pensions and retiring allowances and $6 million in cash termination allowances and return of contributions.

In 1966–67 receipts were $439 million and disbursements were $46 million.

Royal Canadian Mounted Police superannuation account

The balance of $105 million in this account as at March 31, 1968 was $20 million more than the previous fiscal year-end balance of $85 million.

Receipts during the year of $21 million consisted of $3 million in contributions by personnel, $3 million in interest credited to the account, $4 million in contributions by the government and $10 million as a result of actuarial evaluations.

The credit of $10 million for actuarial evaluation, which consisted of $8 million as a result of the quinquennial actuarial valuation made as at December 31, 1964 and $2 million arising from salary increases, was charged to the asset account "unamortized portions of actuarial deficiencies".

Disbursements of $1 million consisted of annuities and allowances, cash termination allowances and return of contributions.

In 1966–67 receipts were $21 million and disbursements were $1 million.

TABLE 57

(in millions of dollars)

Royal Canadian Mounted Police Superannuation Account	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Receipts—					
Contributions—					
Personnel	1.8	2.1	2.2	(1)2.2	2.8
Government	3.1	3.2	3.9	4.5	4.2
Interest	1.6	1.9	2.4	2.9	3.5
Actuarial liability	2.8	5.2		11.1	10.1
	9.3	12.4	8.5	20.7	20.6
Disbursements—					
Annuities and allowances	−0.4	−0.4	−0.5	−0.7	−0.8
Cash termination allowances and return of contributions	−0.2	−0.3	−0.3	−0.3	−0.2
	−0.6	−0.7	−0.8	−1.0	−1.0
Excess of receipts over disbursements	8.7	11.7	7.7	19.7	19.6
Balance in fund brought forward	37.3	46.0	57.7	65.4	85.1
Balance at credit of fund	46.0	57.7	65.4	85.1	104.7

(1) Net after deduction of $0.4 million transferred to the Canada and Quebec pension plans.

Canada pension plan account

The balance of $1,353 million at March 31, 1968 was $672 million higher than the balance at March 31, 1967.

Credits to the account of $685 million consisted of $640 million in contributions under the act, $42 million in interest from investments and $1 million in interest on the operating balance in the account on deposit with the Receiver General. Charges to the account were $13 million and consisted mainly of administrative costs.

During the year, securities totalling $665 million were purchased bringing the balance at March 31, 1968 to $1,281 million. These securities which consist of $1,275 million in provincial bonds and $6 million in federal bonds are recorded in the asset account "Canada pension plan investment fund".

TABLE 58
(in millions of dollars)

Canada Pension Plan Account	Fiscal year ended March 31		
	1966	1967	1968 (preliminary)
Receipts—			
Contributions	94.9	587.2	640.2
Interest on investments		11.0	42.2
Interest on operating balance	(1)	1.1	1.4
Other		0.6	0.9
	94.9	599.9	684.7
Payments—			
Administrative expenses	−5.5	−8.3	−11.5
Benefit payments		−0.1	−1.3
	−5.5	−8.4	−12.8
Excess of receipts over payments	89.4	591.5	671.9
Balance in fund brought forward		89.4	680.9
Balance at credit of fund	89.4	680.9	1,352.8
Less investment in securities held in the Canada pension plan investment fund	−34.8	−615.5	−1,280.8
Operating balance on deposit with the government	54.6	65.4	72.0

Government annuities account

The balance in this account of $1,326 million was $2 million higher than the balance at March 31, 1967. Receipts of $70 million included $19 million from premiums and $51 million in interest from the government. Disbursements of $68 million consisted mainly of vested annuity and commuted value payments and refunds of premiums. In 1966–67 receipts amounted to $72 million and disbursements were $65 million.

Old age security fund

Under the Old Age Security Act, as amended, all persons who satisfy the residence requirements of the act may receive a pension of $76.50 ($75 up to January 1, 1968) per month from the federal government out of the old age security fund provided that no pension is paid in any month before January 1966 in which the person had not attained 70 years of age, the age limit being reduced

by one in each subsequent year until 1970. A further amendment to the act in 1966–67 authorized the payment of a monthly guaranteed supplement to eligible pensioners of $30 per month in 1967 and, in any year thereafter, 40 per cent of the amount of the pension that may be paid to him dependent upon the amount of his income for the preceding year.

Receipts of $1,495 million exceeded pension payments of $1,388 million by $107 million bringing the balance in the fund to $536 million at March 31, 1968.

In 1966–67 receipts of $1,286 million exceeded pension payments of $1,073 million by $213 million, bringing the balance in the fund to $430 million at March 31, 1967.

TABLE 59

(in millions of dollars)

Old Age Security Fund	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Tax receipts—					
Sales tax	331.8	383.2	522.1	559.5	544.5
Personal income tax	302.6	431.9	494.9	576.6	800.1
Corporation income tax	115.7	145.2	152.3	149.5	150.0
Total tax receipts	750.1	960.3	1,169.3	1,285.6	1,494.6
Pension payments	−808.4	−885.3	−927.3	−1,073.0	−1,388.1
Excess of receipts over payments	−58.3	75.0	242.0	212.6	106.5
Temporary loans brought forward	−41.7	−100.0	−25.0		
Balance in fund brought forward				217.0	429.6
Temporary loans by the Minister of Finance to cover deficit in fund	100.0	25.0			
Balance in fund			217.0	429.6	536.1

A distribution by provinces of pension payments from the old age security fund is shown in the following table:

TABLE 60

(in millions of dollars)

Old Age Security Payments	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Newfoundland	28.8	21.2	7.6
Nova Scotia	63.5	49.0	14.5
Prince Edward Island	11.5	8.7	2.8
New Brunswick	47.4	36.2	11.2
Quebec	321.9	239.8	82.1
Ontario	496.9	387.4	109.5
Manitoba	80.4	63.5	16.9
Saskatchewan	79.6	64.0	15.6
Alberta	93.4	72.4	21.0
British Columbia	163.5	130.1	33.4
Northwest and Yukon Territories	1.2	0.7	0.5
	1,388.1	1,073.0	315.1

Undisbursed balances of appropriations to special accounts

These special accounts record the undisbursed balances of appropriations for which moneys have been appropriated by parliament and from which disbursements may be made for authorized purposes in periods subsequent to that in which the appropriation was made. The balance of $93 million was $17 million more than the balance at March 31, 1967.

The balance of $65 million in the international assistance account was $3 million more than the balance at March 31, 1967. Disbursements of $47 million from the fund were more than offset by a credit of $50 million which amount was charged to budgetary expenditure of the Department of External Affairs.

The balance of $10 million in the railway grade crossing fund was $1 million less than the balance at the previous year-end. There was a credit of $15 million to the fund (charged to budgetary expenditure of the Department of Transport) and disbursements from the fund were $16 million.

The balance of $7 million in the centennial of confederation fund was $3 million more than the balance at March 31, 1967. The credit of $13 million to the fund (charged to budgetary expenditure of the Department of the Secretary of State) was partly offset by disbursements of $10 million.

The balance of $11 million in the area development account resulted from credits to the account of $26 million (charged to the budgetary expenditures of the Department of Industry) being partly offset by disbursements of $15 million. There was a nil balance in the account at March 31, 1967.

TABLE 61

(in millions of dollars)

Undisbursed Balances of Appropriations to Special Accounts	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
International assistance account	64.8	61.5	3.3
Railway grade crossing fund	9.5	10.3	−0.8
Centennial of confederation fund	7.3	4.7	2.9
Area development account	11.0		11.0
Other	0.5	0.1	0.4
	93.1	76.6	16.5

Refundable corporation tax

This account records the refundable corporation tax on cash profits of businesses, and is payable by all corporations not exempt from tax under section 62 of the Income Tax Act and by certain types of trusts on specified types of income. During the year, $39 million was collected, bringing the balance at March 31, 1968 to $235 million.

Provision for estimated premium on redemption of bonds

This records the estimated amount of the prorated provision to March 31, 1968 for the premium due at maturity on the then outstanding 1959 series of Canada savings bonds and the estimated amount of the prorated provision to March 31, 1968 for the special compound interest feature applicable to the centennial series of Canada savings bonds.

Deferred credits

Recorded in these accounts are amounts due the government in respect of which payment is deferred. These are contra accounts to corresponding items under the following asset categories: "loans to, and investments in, Crown corporations", "loans to national governments" and "other loans and investments". The balance of $150 million was $7 million more than the balance at March 31, 1967.

Also included in this category are premiums, received on the issue of Government of Canada bonds, which are being credited to interest on public debt on a monthly amortization basis.

Deferred interest in respect of The St. Lawrence Seaway Authority, which is a contra account to a corresponding item in "loans to, and investments in, Crown corporations", increased by $7 million during the year bringing the balance at March 31, 1968 to $55 million.

The government equity in the agency account of Crown Assets Disposal Corporation is a contra account to a corresponding asset account under "other loans and investments". The balance in the account of $7 million was the same as at the end of the previous fiscal year.

TABLE 62

(in millions of dollars)

Deferred Credits	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Deferred interest—			
Atomic Energy of Canada Limited	0.1	0.1	
Northern Canada Power Commission	3.9	3.2	0.7
The St. Lawrence Seaway Authority	54.5	47.7	6.8
United Kingdom Financial Agreement Act, 1946	83.0	83.0	
	141.5	*134.0*	*7.5*
Balances receivable under agreements of sale of Crown assets	0.3	0.3	
Crown Assets Disposal Corporation—government equity	7.3	7.3	
Unamortized premium on loans	0.8	1.2	−0.4
	149.9	142.8	7.1

Suspense accounts

These consist of balances where some uncertainty as to disposition exists.

The balance at March 31, 1968 was $4 million, approximately the same as at March 31, 1967.

Unmatured debt

The unmatured debt of Canada in the amount of $20,580 million was $640 million more than the previous fiscal year-end total. Obligations payable in Canada were $20,420 million and those payable in New York were $160 million compared with $19,575 million and $365 million respectively at March 31, 1967.

TABLE 64
(in millions of dollars)

Unmatured Debt	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Payable in Canada—			
Marketable bonds	11,541.3	10,986.3	555.0
Non-marketable bonds—			
Canada savings bonds	6,096.5	6,016.4	80.1
Canada pension plan	5.7	1.9	3.8
Unemployment Insurance Commission	296.0	260.0	36.0
	17,939.5	*17,264.6*	*674.9*
Treasury bills	2,480.0	2,310.0	170.0
	20,419.5	19,574.6	844.9
Payable in New York[1][2]	160.4	365.6	−205.2
	20,579.9	19,940.2	639.7

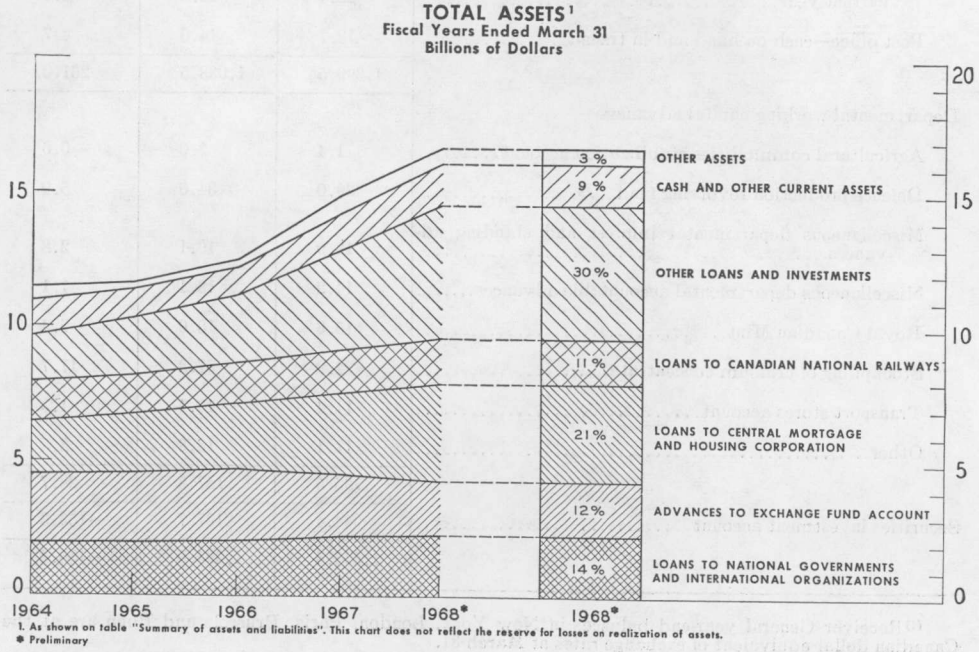
[1] Marketable bonds.
[2] Converted at the official parity rate of $1 U.S.=$1.08108 Canadian.

Details of the various loan issues, maturities and redemptions resulting in the net increase are described more fully in the section "The Public Debt".

Asset Accounts

Current assets

These accounts consist of various cash accounts, working capital advances and the securities investment account.



1. As shown on table "Summary of assets and liabilities". This chart does not reflect the reserve for losses on realization of assets.
* Preliminary

Total current assets at $1,530 million were $136 million more than at March 31, 1967. The main changes were an increase of $261 million in the cash accounts and a decrease of $153 million in the securities investment account.

The defence production revolving fund records the cost of materials procured for use in the manufacture of defence equipment until such time as they are billed to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment, as well as working capital loans and advances for their production. During 1967–68 purchases exceeded sales by $5 million bringing the balance in the account to $39 million at March 31, 1968.

TABLE 65

(in millions of dollars)

Current Assets	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Cash accounts—			
Cash in current deposits[1]	1,014.8	813.9	200.9
Cash in special deposits	1.3	1.0	0.3
Cash in hands of collectors and in transit	244.3	194.3	50.0
Moneys received after March 31 but applicable to the current year	20.4	15.3	5.1
Post office—cash on hand and in transit	18.7	14.0	4.7
	1,299.5	1,038.5	261.0
Departmental working capital advances—			
Agricultural commodities stabilization account	1.4	2.0	−0.6
Defence production revolving fund	39.0	34.0	5.0
Miscellaneous departmental imprest and standing advances	12.9	10.1	2.8
Miscellaneous departmental accountable advances	14.2	13.1	1.1
Royal Canadian Mint	15.6	18.0	−2.4
Stockpiling of uranium concentrates	74.9	57.2	17.7
Transport stores account	11.4	10.1	1.3
Other	17.1	13.3	3.8
	186.5	157.8	28.7
Securities investment account	44.4	197.7	−153.3
	1,530.4	1,394.0	−136.4

[1] Receiver General year-end balances in New York, London, Paris, Brussels and Bonn are at the Canadian dollar equivalent of exchange rates at March 31.

The stockpiling of uranium concentrates account records the acquisition of uranium concentrates in accordance with contracts entered into with the approval of the Governor in Council by the Eldorado Mining and Refining Limited on behalf of Her Majesty in right of Canada with certain mining companies. The balance at March 31, 1968 was $75 million, $18 million higher than the balance at the previous year-end.

Cash in blocked currency

The balance in this account was $2 million, the same as at March 31, 1967.

Notes of Industrias Forestales, S.A. and Compania Manufacturera de Papeles y Cartones, S.A., held by the Export Credits Insurance Corporation, and which were due in 1965 and 1966, could not be paid in accordance with their terms because the Chilean Government was unable to make available the necessary Canadian currency. An alternative scheme was devised whereby the debtors could make their payments on the notes.

The Export Credits Insurance Corporation received the payments in Chile in Canadian dollars and the amount upon receipt was paid to the Receiver General of Canada into a blocked account established by the Receiver General with the Central Bank of Chile, the Government of Chile to pay interest of 6 per cent per annum on the sums held in this account in dollars directly to the Receiver General of Canada in Ottawa.

The Government of Chile agreed to the withdrawal of these funds from this account of 20 per cent of the deposits made to the account in 1965 in each of the years 1968 to 1972 and 20 per cent of the deposits made to the account in 1966 in each of the years 1969 to 1973.

Advances to the exchange fund account

Advances during the year to finance the purchase of gold and foreign exchange amounted to $1,508 million and repayments were $1,830 million, resulting in a net decrease of $322 million bringing the outstanding advances to $2,033 million at March 31, 1968.

During 1966–67 advances of $1,098 million and repayments of $1,439 million resulted in a balance of $2,355 million at March 31, 1967.

Investments in United States dollar securities issued by other than the Government of Canada

This account includes the special securities issued by the Government of the United States of America and purchased by Canada pursuant to agreements made to carry out the Columbia River Treaty between the Government of the United States and the Government of Canada. During 1967–68 securities in the amount of $32 million were redeemed leaving a balance of $123 million.

Also included at March 31, 1967 was an investment in bonds of the international bank for reconstruction and development, which amounted to $25 million. During 1967–68 these bonds were liquidated leaving a nil balance at March 31, 1968.

Canada pension plan investment fund

The Canada pension plan investment fund records securities purchased under the Canada Pension Plan Act and the sale of these securities. The amount by which the operating balance of the Canada pension plan account in any month exceeds the estimated amount required to meet all payments in the following three-month period is available for the purchase of securities of participating provinces. Securities of Canada shall be purchased with the excess remaining after purchasing securities of each province as required. The holdings in the account at March 31, 1968 totalled $1,281 million of which $6 million was in federal government securities.

TABLE 66

(in millions of dollars)

Canada Pension Plan Investment Fund	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Securities of—			
Newfoundland	23.7	11.7	12.0
Nova Scotia	47.9	22.6	25.3
Prince Edward Island	4.3	2.0	2.3
New Brunswick	37.0	17.7	19.3
Quebec	2.2	0.4	1.8
Ontario	728.6	352.7	375.9
Manitoba	76.4	37.0	39.4
Saskatchewan	55.6	25.9	29.7
Alberta	113.3	54.1	59.2
British Columbia	186.1	89.5	96.6
Government of Canada	5.7	1.9	3.8
	1,280.8	615.5	665.3

Investments held for retirement of unmatured debt

Recorded herein is $7 million of the 5½ per cent loan issued August 1, 1962 and maturing August 1, 1980 and $1 million of the 5½ per cent loan issued February 1, 1966 and maturing August 1, 1980.

Loans to, and investment in, Crown corporations

Loans and investments in this category totalled $7,939 million, an increase of $1,211 million over the total at March 31, 1967.

TABLE 67

(in millions of dollars)

Loans to, and Investments in, Crown Corporations	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Atomic Energy of Canada Limited	138.9	106.0	32.9
Bank of Canada	5.9	5.9	
Canada Deposit Insurance Corporation	29.4		29.4
Canadian Arsenals Limited	5.0	5.0	
Canadian Broadcasting Corporation	9.0	9.0	
Canadian Commercial Corporation	16.5	10.0	6.5
Canadian Dairy Commission	22.2	0.1	22.1
Canadian National Railways	1,777.1	1,613.9	163.2
Air Canada	8.0	7.4	0.6
	1,785.1	*1,621.3*	*163.8*
Canadian Overseas Telecommunication Corporation	52.4	49.8	2.6
Cape Breton Development Corporation	9.1		9.1
Central Mortgage and Housing Corporation	3,575.4	2,941.5	633.9
Eldorado Mining and Refining Limited	8.2	8.2	
Export Credits Insurance Corporation	199.1	164.4	34.7
Farm Credit Corporation	921.7	752.5	169.2
National Capital Commission—excluding Greenbelt	37.4	37.1	0.3
National Harbours Board	250.0	222.3	27.7
Northern Canada Power Commission	33.6	30.7	2.9
Polymer Corporation Limited	30.0	30.0	
The St. Lawrence Seaway Authority—			
Loans	362.9	345.4	17.5
Deferred interest	54.5	47.8	6.7
Interest-free loans	75.0	72.5	2.5
	492.4	*465.7*	*26.7*
Recovery likely to require parliamentary appropriations—			
Canadian Broadcasting Corporation	74.1	55.7	18.4
Canadian Corporation for the 1967 World Exhibition	205.0	175.0	30.0
National Capital Commission—Greenbelt	37.7	37.2	0.5
	316.8	*267.9*	*48.9*
Other Crown Corporations	1.3	1.2	0.1
	7,939.4	6,728.6	1,210.8

Atomic Energy of Canada Limited

There was a balance of $139 million in this account at March 31, 1968 consisting of an investment of $15 million by the government in capital stock and loans of $124 million of which $70 million was in respect of the Douglas Point generating station. Comparable amounts at March 31, 1967 were $106 million consisting of $15 million in capital stock and loans of $91 million of which $67 million was for the Douglas Point generating station.

Canadian Broadcasting Corporation

There was no change in the advances for working capital during 1967–68, the balance remaining at $9 million at March 31, 1968. During the year advances to the corporation for the purpose of capital expenditures were $18 million, bringing the total of advances to $74 million at the fiscal year-end. Recovery of these advances is likely to require parliamentary appropriations in subsequent fiscal years.

Canadian Corporation for the 1967 World Exhibition

This account records the acquisition of securities issued by the corporation in accordance with the Canadian Corporation for the 1967 World Exhibition Act. The balance in the account at March 31, 1968 was $205 million compared with $175 million at March 31, 1967. Recovery of these advances is likely to require parliamentary appropriations in subsequent fiscal years.

Canadian National Railways (including Air Canada)

Outstanding advances to the Canadian National Railways at March 31, 1968 of $1,785 million were $164 million more than the balance of $1,621 million at the previous fiscal year-end.

TABLE 68

(in millions of dollars)

Advances to the Canadian National Railways	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Capital Revision Act, 1952—			
Preferred stock	1,105.2	1,075.2	30.0
Twenty-year obligation	100.0	100.0	
Financing and Guarantee Act, 1960	27.0	27.0	
Financing and Guarantee Act, 1961	28.4	28.4	
Financing and Guarantee Act, 1965 and 1966	50.0	40.0	10.0
Financing and Guarantee Act, 1967	27.0		27.0
Interim financing of income deficit 1968	13.0		13.0
Refunding Act, 1955	395.3	323.0	72.3
Loans for maintenance, repair and acquisition of passenger equipment	2.9	3.3	−0.4
Temporary loans—acquisition of bonds	11.3		11.3
Canadian Government Railways	17.0	17.0	
Air Canada	8.0	7.4	0.6
	1,785.1	1,621.3	163.8

During 1967–68 the government made available $211 million to the company and received repayments of $47 million, resulting in a net increase of $164 million in outstanding advances. In 1966–67 advances were $149 million and repayments were $21 million.

TABLE 69

(in millions of dollars)

Advances to, and Repayments by, the Canadian National Railways	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Advances—			
For the refunding of debt	72.3	50.0	22.3
Financing and Guarantee Act, 1965 and 1966	10.0	40.0	−30.0
Financing and Guarantee Act, 1967	27.0		27.0
Maintenance, repair and acquisition of passenger equipment		3.3	−3.3
Temporary loans—acquisition of bonds	11.3		11.3
For interim financing of income deficits—			
Canadian National Railways	48.9	16.0	32.9
Air Canada	11.6	8.4	3.2
Total advances	181.1	117.7	63.4
Purchase of 4 per cent preferred stock (C.N.R. Capital Revision Act, 1952)	30.0	30.9	−0.9
	211.1	148.6	62.5
Repayments—			
Maintenance, repair and acquisition of passenger equipment	−0.4		−0.4
Advances for interim financing of income deficits—			
Canadian National Railways	−35.9	−16.0	−19.9
Air Canada	−11.0	−5.3	−5.7
	−47.3	*−21.3*	*−26.0*
Net increase or decrease (−) during the fiscal year	163.8	127.3	36.5

In 1967–68 the government advanced to the company $121 million for capital purposes and the refunding of debt in the hands of the public.

To assist the company to finance further capital expenditure during the year, the government purchased $30 million of the 4 per cent preferred stock of the company. This stock is issued under the authority of the Canadian National Railways Capital Revision Act, 1952, in an amount equal to 3 per cent of the gross revenue of the company.

The government provided the company with temporary loans of $36 million in respect of its 1967 deficit which were repaid when the company's income deficit of $36 million was charged to the 1967–68 budgetary expenditures and $13 million in respect of its 1968 operations.

At March 31, 1967 temporary loans of $7 million were outstanding to Air Canada in respect of its 1967 operations. An additional $4 million was advanced during the year for its 1967 operations. These were repaid by the company during 1967–68. However, additional loans of $8 million were made in 1967–68 in respect of the company's 1968 operations.

Central Mortgage and Housing Corporation

The balance of $3,575 million in this account at March 31, 1968 was $634 million higher than at March 31, 1967, and comprised the Crown's investment of $25 million in the capital of the corporation and $3,550 million in loans and advances.

Loans and advances to the corporation during 1967–68 were $767 million and repayments were $133 million. In 1966–67 advances were $615 million and repayments were $126 million.

Advances comprised $680 million for direct lending and limited dividend housing, $14 million for federal-provincial projects, $29 million in respect of municipal sewage treatment, $43 million for university housing and $1 million for urban renewal.

Repayments of $133 million included $100 million for direct lending and limited dividend housing, $3 million for federal-provincial projects, $15 million for the loan and mortgage purchase fund, $12 million for sewage treatment and $2 million in respect of acquisition or construction of real estate.

TABLE 70

(in millions of dollars)

Advances to, and Repayments by, Central Mortgage and Housing Corporation	Fiscal year ended March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Advances—			
Direct lending, limited dividend and public housing	680.5	499.0	181.5
Sewage treatment projects	29.1	46.3	−17.2
University housing projects	42.5	31.0	11.5
Federal-provincial projects	14.0	21.5	−7.5
Loan and mortgage purchase fund		16.8	−16.8
Urban renewal	0.5		0.5
	766.6	614.6	152.0
Repayments—			
Direct lending, limited dividend and public housing	−99.6	−86.5	−13.1
Sewage treatment projects	−12.4	−17.5	5.1
University housing projects	−0.6	−0.5	−0.1
Federal-provincial projects	−2.9	−4.0	1.1
Loan and mortgage purchase fund	−14.9	−14.5	−0.4
Acquisition or construction of real estate	−2.3	−3.0	0.7
	−132.7	−126.0	−6.7
	633.9	488.6	145.3

Export Credits Insurance Corporation

The outstanding balance of $199 million in this account at March 31, 1968 consisted of $5 million for capital stock, $5 million for working capital and $189 million for loans under section 21A of the Export Credits Insurance Act. This section of the act authorizes the making of loans, on security of a guaranteed instrument, to the corporation by the Minister of Finance. Comparable amounts in 1966–67 were $5 million for capital stock, $5 million for working capital and $154 million for loans.

Farm Credit Corporation

The government provides loans to the corporation which makes loans on farm property. The balance of $922 million in the account at March 31, 1968 consisted of the Crown's investment of $36 million in the capital of the corporation and $886 million in loans and advances. At March 31, 1967 the balance was $753 million consisting of capital investment of $29 million and loans and advances of $724 million.

The 1967–68 transactions in the account consisted of additional subscriptions by the government of $7 million to the capital of the corporation, loans and advances of $195 million and repayments by the corporation of $33 million. In 1966–67 additional subscriptions were $6 million, loans and advances were $183 million and repayments were $25 million.

National Capital Commission

Loans to acquire property in the "Greenbelt" area increased by $1 million during the year bringing the balance to $38 million. Recovery of these loans is likely to require parliamentary appropriations in subsequent fiscal years.

Loans to acquire property excluding the "Greenbelt" area totalled $37 million at March 31, 1968, the same as at March 31, 1967.

The St. Lawrence Seaway Authority

Outstanding obligations in this account at March 31, 1968 amounted to $492 million and comprised $363 million in interest-bearing loans, $75 million in interest-free loans and $54 million in deferred interest. At March 31, 1967 outstanding obligations were $465 million consisting of $345 million in interest-bearing loans, $72 million in interest-free loans and $48 million in deferred interest.

Other Crown Corporations

Advances to the Canadian Commercial Corporation increased by $7 million during 1967–68 and advances to the National Harbours Board increased by $28 million.

Loans to national governments

There was an increase of $4 million in this category bringing the total balance to $1,206 million at March 31, 1968.

The United Kingdom repaid $19 million of the $1,185 million loan made under the $1,250 million credit authorized by the United Kingdom Financial Agreement Act, 1946, reducing the principal to $957 million at March 31, 1968.

Advances under Part II of the Export Credits Insurance Act to Belgium, France and The Netherlands to assist them in the purchasing of goods in Canada were reduced by a repayment of $2 million, bringing the balance at March 31, 1968 to $120 million. The decrease of $2 million is the regular annual payment by the Government of Belgium. There were no repayments by the Governments of France and The Netherlands as each of these countries had made advance payments in 1962–63 covering instalments up to and including the 1969 instalment.

Loans to India for the purchase in Canada of aircraft and associated spare parts at $1 million were $3 million less than at March 31, 1967.

The special loan assistance—developing countries account is an account which records loans which are subject to terms and conditions as the Governor in Council may approve, for the purpose of undertaking agreed-upon economic, educational and technical projects. The balance in the account at March 31, 1968 was $44 million, an increase of $29 million over the balance at the previous year-end.

TABLE 71

(in millions of dollars)

Loans to National Governments	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Loans to United Kingdom—			
The United Kingdom Financial Agreement Act, 1946...	957.0	976.2	−19.2
Deferred interest	83.0	83.0	
	1,040.0	*1,059.2*	*−19.2*
Loans under the Export Credits Insurance Act, Part II—			
Belgium	20.8	23.1	−2.3
France	67.0	67.0	
The Netherlands	32.1	32.1	
	119.9	*122.2*	*−2.3*
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada—			
Ceylon		0.3	−0.3
Miscellaneous loans and advances—			
India—loan for purchase of aircraft and associated spare parts	1.3	4.0	−2.7
France—interim credits—consolidated interest	0.7	0.7	
Special loan assistance—developing countries	44.1	15.0	29.1
Other	0.1	0.2	−0.1
	46.2	*19.9*	*26.3*
	1,206.1	1,201.6	4.5

Other loans and investments

Balances in these accounts totalled $1,946 million at March 31, 1968, $232 million more than at the end of the previous fiscal year.

TABLE 72

(in millions of dollars)

Other Loans and Investments	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Subscriptions to capital of, and working capital advances and loans to, international organizations—			
Canada's subscriptions to capital of—			
Asian development bank	5.4	2.7	2.7
International bank for reconstruction and development	85.0	85.0	
International development association	85.7	70.7	15.0
International finance corporation	3.5	3.5	
International monetary fund	782.7	782.7	
Working capital advances and loans to international organizations	7.3	7.6	−0.3
	969.6	952.2	17.4
Loans to provincial governments—			
Alberta	4.9	5.4	−0.5
British Columbia	9.4	10.3	−0.9
Manitoba	10.8	9.5	1.3
New Brunswick	45.2	31.8	13.4
Newfoundland	30.4	17.7	12.7
Nova Scotia	38.4	22.4	16.0
Prince Edward Island	0.5		0.5
Quebec	18.9		18.9
Saskatchewan	29.2	26.4	2.8
	187.7	123.5	64.2
Veterans land act fund	406.2	333.8	72.4
Less reserve for conditional benefits	−23.3	−22.4	−0.9
	382.9	311.4	71.5
Municipal development and loan board advances	280.6	236.3	44.3
Less reserve for forgiveness of indebtedness	−0.2	−5.1	4.9
	280.4	231.2	49.2
Miscellaneous—			
Assisted passage scheme	13.2	11.1	2.1
Balances receivable under agreements of sale of Crown assets	1.3	1.2	0.1
City of Montreal—			
Atwater tunnel	1.7	1.8	−0.1
St. Remi tunnel	0.9	1.0	−0.1
City of Whitehorse	1.8	1.9	−0.1
Construction of dock and rail facilities for Steep Rock Iron Mines Limited	0.5	0.7	−0.2
Crown Assets Disposal Corporation—			
Government equity in agency account	7.3	7.3	
Defence plant modernization	10.2		10.2
Dominion Coal Company Limited	4.5	4.5	
Fraser River Harbour Commission	1.1	1.2	−0.1
Hamilton Harbour Commissioners	3.6	1.7	1.9
Housing projects for Canadian forces	21.6	20.5	1.1
Loans to manufacturers of automotive products in Canada	20.5	12.6	7.9
Municipal Improvements Assistance Act, 1938	0.6	0.7	−0.1
Northwest Territories	12.8	8.9	3.9
Ottawa civil service recreational association re W. Clifford Clark Memorial Recreational Centre	1.0	1.0	
Toronto Harbour Commissioners	1.4	1.5	−0.1
Town of Oromocto Development Corporation	1.1	1.1	
Yukon Territory	9.7	7.2	2.5
Other	6.6	5.7	0.9
	121.4	91.6	29.8
Recovery likely to require parliamentary appropriations—			
Town of Oromocto, New Brunswick	3.9	4.1	−0.2
	1,945.9	1,714.0	231.9

Canada's subscriptions to the capital of international organizations were $17 million higher due mainly to additional subscriptions of $15 million to the international development association. Working capital advances and loans to international organizations at $7 million were approximately the same as at the previous fiscal year-end.

Loans to provincial governments totalled $188 million at March 31, 1968, an increase of $64 million over the total at the previous fiscal year-end due mainly to increases of $10 million in loans to Newfoundland, $11 million to Nova Scotia and $8 million to New Brunswick pursuant to the Atlantic Provinces Power Development Act and to the setting up as loans overpayments of $38 million arising out of payments made under the Federal-Provincial Tax-Sharing Arrangements Act.

The veterans land act fund was established by An Act to amend the Veterans' Land Act, assented to June 30, 1965, to record advances made under the Veterans' Land Act, for the acquisition, by the Director, of properties, buildings, materials, livestock, farm equipment and commercial fishing equipment for purposes of the act, for sale to qualified veterans of world war 2 and Korea under sales agreements which carry specified conditional benefits if the terms of such agreements are adhered to by the veterans, and for progress payments to veterans during construction of housing. Advances during the year of $103 million and repayments of $30 million brought outstanding advances at March 31, 1968 to $406 million. This was partly offset by a reserve for conditional benefits amounting to $23 million, resulting in a net balance of $383 million at the fiscal year-end.

Under the Municipal Development and Loan Act advances are made to the Municipal Development and Loan Board to provide financial assistance by way of loans to municipalities to augment or accelerate municipal capital works programs. Where the municipal project in respect of which a loan is made is completed on or before September 30, 1966, the board shall forgive payment by the municipality of 25 per cent of the principal amount of the loan. If a project is not completed as at September 30, 1966, the board shall forgive 25 per cent of that portion of the loan that has been advanced to the municipality as of September 30, 1966. At March 31, 1968, advances totalled $281 million, an increase of $44 million over the total at March 31, 1967. These advances were partly offset by a reserve for forgiveness of indebtedness consisting of amounts charged to budgetary expenditure to cover 25 per cent of the amounts of the advances. At March 31, 1968, there was a reserve of $200 thousand compared with $5 million at March 31, 1967.

Miscellaneous loans and investments totalled $121 million at March 31, 1968, an increase of $30 million over the balance at March 31, 1967, due mainly to loans of $10 million for defence plant modernization and an increase of $8 million in loans to manufacturers of automotive products in Canada.

Loans to manufacturers of automotive products in Canada were made in accordance with terms and conditions prescribed by the Governor in Council, to assist manufacturers of automotive products in Canada affected by the Canada–United States Agreement on Automotive Products to adjust and expand their production; such loans to be made for the purpose of acquisition, construction, installation, modernization, development, conversion or expansion of land, buildings, equipment, facilities or machinery and for working capital. Loans to these manufacturers amounted to $21 million compared with $13 million at March 31, 1967.

Loans for defence plant modernization, which is a new account, records advances made subject to the approval of the Treasury Board to assist defence manufacturers with defence plant modernization. During 1967–68 net advances totalling $10 million were made.

Securities held in trust

Recorded herein are the security holdings in connection with various deposit and trust accounts and annuity, insurance and pension accounts. Bonds and certified cheques held in connection with contractors' securities included in the deposit and trust category are also recorded under this heading. The balance at March 31, 1968 was $60 million, an increase of $9 million over the previous fiscal year-end balance.

Deferred charges

These consist of the unamortized balances of actuarial deficiencies in the Canadian forces superannuation account, the public service superannuation account and the Royal Canadian Mounted Police superannuation account and the outstanding unamortized loan flotation costs.

The balances in these accounts totalled $492 million at March 31, 1968 compared with $582 million at March 31, 1967.

TABLE 73

(in millions of dollars)

Deferred Charges	Balance at March 31		Increase or decrease (−)
	1968 (preliminary)	1967	
Unamortized portions of actuarial deficiencies—			
Canadian forces superannuation account	187.6	260.2	−72.6
Public service superannuation account	150.4	189.4	−39.0
Royal Canadian Mounted Police superannuation account	15.8	11.0	4.8
	353.8	*460.6*	*−106.8*
Unamortized loan flotation costs	138.2	121.2	17.0
	492.0	581.8	−89.8

Unamortized portions of actuarial deficiencies

At March 31, 1968 these totalled $354 million compared with $461 million at March 31, 1967, a decrease of $107 million.

Any actuarial deficiencies revealed by quinquennial valuations are credited to the superannuation accounts and charged to this account and amortized to budgetary expenditure in five equal annual instalments commencing in the fiscal year in which the report is laid before parliament. Also, the cost of benefits payable under the superannuation acts as a result of the authorization of salary increases are credited to the superannuation accounts and charged to this account and amortized to budgetary expenditure over a period of five years commencing in the year in which the increase is authorized.

The unamortized portion of the actuarial deficiency in the Canadian forces superannuation account was $188 million compared with $260 million at March 31, 1967. During the year $73 million was amortized as a charge to budgetary expenditure.

The unamortized portion of the actuarial deficiency in the public service superannuation account was $150 million compared with $189 million at March 31, 1967. During the year $22 million was charged thereto as a result of salary increases and $61 million was amortized as a charge to budgetary expenditure.

The unamortized portion of the actuarial deficiency in the Royal Canadian Mounted Police superannuation account was $16 million compared with $11 million at March 31, 1967. During the year $8 million was charged thereto as a result of the quinquennial actuarial valuation made as at December 31, 1964 and $2 million due to salary revisions and $5 million was amortized as a charge to budgetary expenditure.

Unamortized loan flotation costs

This account records the residual balances of discounts, commissions, redemption bonuses and conversion premiums on loan flotations that have not been charged to budgetary expenditures. The balance of $138 million was $17 million more than the previous fiscal year-end balance.

TABLE 74
(in millions of dollars)

Unamortized Loan Flotation Costs	Fiscal year ended March 31	
	1968 (preliminary)	1967
Balance of account at beginning of fiscal year	121.2	106.2
New loan flotation costs to be amortized—		
4½% loan April 1, 1967—April 1, 1968	0.4	
5% loan April 1, 1967—October 1, 1973	2.8	
5¼% loan April 1, 1967—May 1, 1990	4.4	
4½% loan June 1, 1967—June 15, 1968	0.3	
5½% loan June 1, 1967—December 1, 1974	1.1	
5% loan August 1, 1967—October 1, 1968	0.1	
5½% loan August 1, 1967—April 1, 1969	0.1	
6% loan August 1, 1967—December 15, 1971	4.0	
4¾% loan October 1, 1967—December 15, 1968	1.3	
5½% loan October 1, 1967—December 15, 1969	1.5	
6% loan October 1, 1967—April 1, 1971	0.8	
6¼% loan December 1, 1967—December 1, 1973	1.9	
6% loan January 15, 1968—February 15, 1970	1.5	
Adjustments[1]	0.2	
Treasury bills discounts	30.1	20.5
Canada savings bonds—adjustment previous issues	0.7	0.4
Canada savings bonds—new issue	12.6	20.5
4¼% loan May 1, 1966—April 1, 1967		1.8
5% loan May 1, 1966—July 1, 1970		0.9
5½% loan May 1, 1966—August 1, 1980		4.2
4¼% loan September 1, 1966—October 1, 1967		2.6
5¼% loan September 1, 1966—October 1, 1969		1.3
5¾% loan September 1, 1966—September 1, 1992		5.4
5½% loan December 15, 1966—January 15, 1968		0.6
5¼% loan December 15, 1966—December 15, 1970		1.9
5½% loan February 1, 1967—October 1, 1975		1.2
	63.8	*61.3*
Less—		
Amortization applicable to fiscal year—		
Canada savings bonds and general loans	−26.3	−29.8
Discounts on treasury bills charged to interest on public debt	−20.5	−16.5
	−46.8	*−46.3*
Increase or decrease (−) during the year	17.0	15.0
Balance of account at end of fiscal year	138.2	121.2

[1]Adjustments due to cancellations and additional issues of existing loans.

Cost of new loans issued during 1967–68 and charged to the account amounted to $64 million, of which $30 million was in respect of treasury bills discounts which will be charged to interest on public debt in 1968–69. Credits to the account were $47 million, of which $26 million was a charge to the budgetary item "annual amortization costs" and $21 million (representing discount applicable to 1967–68 on treasury bills sold in 1966–67) was a charge to the budgetary item "interest on public debt".

Treasury bills discounts applicable to the current fiscal year are charged to interest on public debt at time of sale. That portion of the discounts applicable to the subsequent fiscal year is charged to this account and transferred to interest on public debt in the following year.

Capital assets

Assets of the government such as land, buildings, works and equipment, etc., that are charged to budgetary expenditure at the time of acquisition or construction, are included in this category and are shown on the statement of assets and liabilities at a nominal value of $1.

Inactive loans and investments

Loans and investments which are not currently revenue-producing or realizable are recorded herein. Included are the loan of $49 million to China under the Export Credits Insurance Act, loans totalling $24 million and $7 million made to Roumania and Greece, respectively, in 1919–20 and 1920–21 and advances of $15 million in respect of the implementation of guarantees (Ming Sung Industrial Company Limited).

Reserve for losses on realization of assets

There has been no change in this reserve since the fiscal year 1956–57. The balance at March 31, 1968 was $546 million.

Net Debt

The net debt of Canada, or the excess of liabilities over net recorded assets, was $16,757 million at March 31, 1968 compared with $15,965 million at March 31, 1967. The increase of $792 million reflects the 1967–68 budgetary deficit.

THE CASH POSITION

The government's bank balances represent current deposits to the credit of the Receiver General of Canada in the Bank of Canada, chartered banks in Canada and certain banks in London, New York, Paris, Brussels and Bonn. These balances totalled $1,015 million at March 31, 1968, an increase of $201 million over the balance of $814 million at March 31, 1967.

The cash position of the government is affected not only by budgetary transactions but also by changes in the government's unmatured debt and other non-budgetary transactions. Non-budgetary transactions are those which affect the government's asset and liability accounts and must be taken into account when considering the full scope of the government's financial operations and their effect on the economy of the country.

On the asset side, the non-budgetary transactions consist, for the most part, of loans and advances to, and repayments by, Crown corporations and other government agencies and funds (including the old age security fund), national, provincial and municipal governments, international organizations, veterans and other borrowers. On the liability side they relate mainly to receipts and payments in connection with the many deposit and trust accounts, and annuity, insurance and pension funds held or administered by the government.

The following statement summarizes both the budgetary and non-budgetary transactions for 1967–68 and indicates how they affected the government's cash position. For purposes of comparison the corresponding figures for 1966–67 are also shown.

TABLE 75

(in millions of dollars)

Changes in Cash Position	Fiscal year ended March 31			
	1968 (preliminary)		1967	
Budgetary transactions—				
Revenue	9,076.6		8,358.2	
Expenditure	−9,869.0		−8,779.7	
Deficit		**−792.4**		**−421.5**
Non-budgetary transactions (excluding unmatured debt transactions)—				
Receipts and credits (net)	2,415.1		2,043.1	
Disbursements and charges (net)	−2,209.9		−2,152.7	
Net amount available from or required for (−) non-budgetary transactions		**205.2**		**−109.6**
Overall cash requirement to be financed by increase in unmatured debt or decrease in cash balances		**−587.2**		**−531.1**
Net increase in unmatured debt outstanding in the hands of the public—				
Unmatured debt—				
Canada savings bonds	80.1		283.2	
Marketable issues	349.8		269.4	
Treasury bills	170.0		160.0	
Special issues—				
Unemployment Insurance Commission	36.0		116.0	
Canada pension plan	3.8		1.8	
	639.7		*830.4*	
Securities investment account	153.3		−116.2	
Investments held for retirement of unmatured debt	−4.9		−3.2	
		788.1		**711.0**
Net increase in Receiver General Bank balances		**200.9**		**179.9**

Note: In 1967–68 a change in practice was introduced whereby revenues arising from Royal Canadian Mounted Police expenditures were credited thereto. For purposes of comparision 1966–67 figures have been adjusted.

In 1967–68 a deficit of $792 million in budgetary transactions and net receipts of $205 million for non-budgetary transactions (excluding unmatured debt transactions) resulted in a net cash requirement of $587 million for the fiscal year. As transactions in unmatured debt during the year resulted in an increase of $788 million in outstanding unmatured debt as at March 31, 1968, Receiver General bank balances were increased by $201 million. In 1966–67

the budgetary deficit of $422 million and net disbursements of $109 million from non-budgetary transactions resulted in a cash requirement of $531 million. As outstanding unmatured debt increased by $711 million, Receiver General bank balances were increased by $180 million.

Non-budgetary receipts and credits (excluding unmatured debt transactions)

Non-budgetary receipts and credits of $2,415 million in 1967–68 included $1,137 million in respect of annuity, insurance and pension accounts, $379 million in repayments of loans, investments and advances and $899 million in sundry other accounts.

Further details are given in the following table:

TABLE 76

(in millions of dollars)

Non-Budgetary Receipts and Credits (Net)	Fiscal year ended March 31	
	1968 (preliminary)	1967
Repayments of loans, investments and advances—		
Investments in United States dollar securities issued by other than the Government of Canada	57.4	7.2
Exchange fund account	321.7	341.0
	379.1	*348.2*
Annuity, insurance and pension accounts—		
Superannuation accounts—		
Public service	186.3	299.1
Canadian forces	146.3	392.8
Royal Canadian Mounted Police	19.6	19.7
Canada pension plan account	671.9	591.5
Old age security fund	106.5	212.6
Other	6.5	7.3
	1,137.1	*1,523.0*
Other receipts and credits—		
Non-interest-bearing notes	450.3	111.0
Outstanding treasury cheques	44.8	49.7
Accounts payable	65.7	74.2
Interest accrued	29.1	31.9
Interest due and outstanding	50.3	0.4
Canadian Commercial Corporation—special deposit	38.2	
Canadian Dairy Commission	25.2	
Provincial tax collection agreements account	27.7	26.2
Undisbursed balances of appropriations to special accounts	16.5	−25.4
Refundable corporation tax	39.1	196.2
Deferred credits	7.1	4.7
Surplus Crown assets (National Defence)	6.8	15.2
Deferred charges	89.8	−325.3
Miscellaneous	8.3	13.1
	898.9	*171.9*
	2,415.1	2,043.1

Non-budgetary disbursements and charges (excluding unmatured debt transactions)

Non-budgetary disbursements and charges of $2,210 million in 1967-68 included $1,476 million for loans, investments and advances and $734 million in other charges.

Further details are given in the following table:

TABLE 77

(in millions of dollars)

Non-Budgetary Disbursements and Charges (Net)	Fiscal year ended March 31	
	1968 (preliminary)	1967
Loans, investments and advances—		
Defence production revolving fund	5.0	11.4
Stockpiling of uranium concentrates	17.7	20.1
Atomic Energy of Canada Limited	32.9	28.4
Canada Deposit Insurance Corporation	29.4	
Canadian Broadcasting Corporation	18.4	35.0
Canadian Corporation for the 1967 World Exhibition	30.0	131.0
Canadian Commercial Corporation	6.5	4.5
Canadian Dairy Commission	22.2	
Canadian National Railways (including Air Canada)	163.8	127.3
Canadian Overseas Telecommunication Corporation	2.6	−2.7
Cape Breton Development Corporation	9.1	
Central Mortgage and Housing Corporation	633.9	488.6
Export Credits Insurance Corporation	34.7	36.2
Farm Credit Corporation	169.2	164.1
National Capital Commission	0.8	7.0
National Harbours Board	27.7	19.5
Northern Canada Power Commission	2.9	0.8
The St. Lawrence Seaway Authority	26.7	29.8
National governments	4.5	−23.6
Subscriptions to capital of international organizations	17.7	227.5
Municipal development and loan board advances	49.2	122.3
Veterans land act fund	71.5	55.2
Provincial governments	64.2	26.8
Defence plant modernization	10.2	
Loans to manufacturers of automotive products	7.9	12.5
Miscellaneous	17.2	12.3
	1,475.9	*1,534.0*
Other disbursements and charges—		
Canada pension plan investment fund	665.3	580.6
Matured debt outstanding	4.7	−3.4
Cash in hands of collectors and in transit	50.0	70.2
Moneys received after March 31, but applicable to current year	5.1	−27.6
Securities held in trust	8.9	−1.1
	734.0	*618.7*
	2,209.9	2,152.7

THE PUBLIC DEBT

Gross and net debt

The gross debt of Canada, or the total of liabilities as recorded on the statement of assets and liabilities, was $32,926 million at March 31, 1968, an increase of $2,586 million over the total at March 31, 1967. The main changes were increases of $1,137 million in annuity, insurance and pension accounts, $640 million in unmatured debt and $639 million in current and demand liabilities. Unmatured debt at $20,580 million represented 63 per cent of the total and annuity, insurance and pension accounts at $9,053 million represented 27 per cent. At March 31, 1967 unmatured debt was $19,940 million or 66 per cent and annuity, insurance and pension accounts totalled $7,916 million or 26 per cent.

The government's net recorded assets were $16,169 million at March 31, 1968 an increase of $1,794 million over the total at March 31, 1967. The main changes were increases of $1,211 million in loans to, and investments in, Crown corporations, $665 million in the Canada pension plan investment fund and $232 million in other loans and investments and a decrease of $322 million in advances to the exchange fund account. Loans to, and investments in, Crown corporations represented 49 per cent of the total and advances to the exchange fund represented 12 per cent. At March 31, 1967 loans to, and investments in, Crown corporations were $6,729 million or 47 per cent and advances to the exchange fund were $2,355 million or 16 per cent.

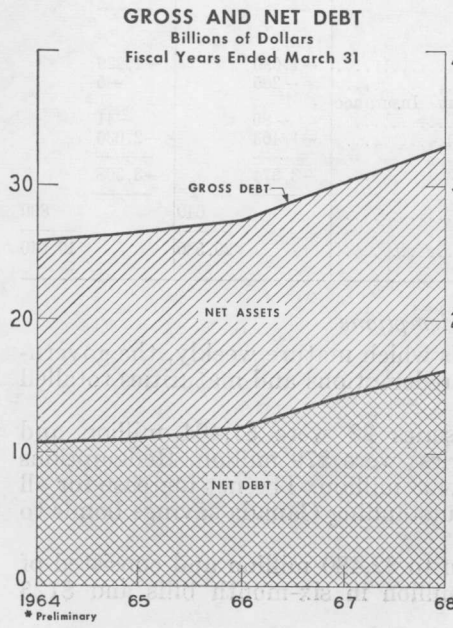
The net debt of Canada was $16,757 million at March 31, 1968 reflecting an increase of $792 million, equivalent to the 1967–68 budgetary deficit.

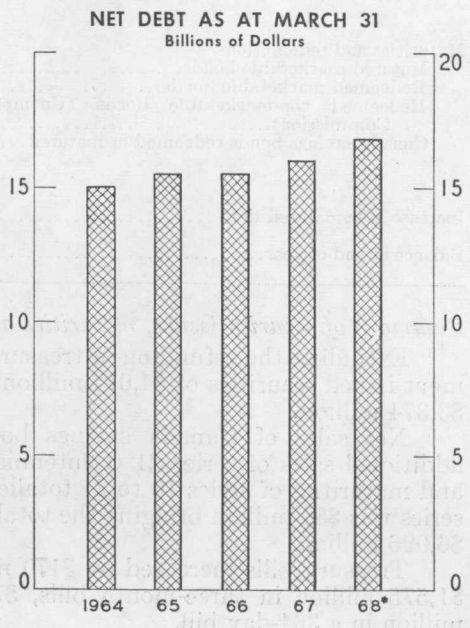
TABLE 78

STATEMENT OF PUBLIC DEBT, UNMATURED DEBT, NET RECORDED ASSETS AND NET DEBT OF CANADA

(in millions of dollars)

As at March 31	Gross Public Debt			Less net recorded assets	Net debt	Increase in net debt during fiscal year
	Unmatured debt	Other liabilities	Total			
1964	18,740.1	7,183.3	25,923.4	10,853.3	15,070.1	1,150.4
1965	18,978.2	7,585.7	26,563.9	11,059.5	15,504.4	434.0
1966	19,109.8	8,373.1	27,482.9	11,939.5	15,543.4	39.0
1967	19,940.2	10,399.9	30,340.1	14,375.2	15,964.9	421.5
1968 (preliminary)	20,579.9	12,346.4	32,926.3	16,168.9	16,757.4	792.4





Unmatured debt

Total unmatured debt of $20,580 million was $640 million more than the balance at March 31, 1967.

The government's holdings of its own securities as at March 31, 1968 was comprised of $44 million in the securities investment account (of which $41 million was Canada savings bonds held in respect of the employees instalment purchase plan) and $8 million in investments held for retirement of unmatured debt. This was a decrease of $149 million from the previous fiscal year-end total when holdings were $198 million in the securities investment account (of which $36 million was in respect of the employees instalment purchase plan) and $3 million in investments held for retirement of unmatured debt.

Of the total unmatured debt, $20,420 million is payable in Canada and $160 million in New York. Securities payable in New York have been valued at the official parity rate of $1 U.S. = $1.08108 Canadian.

TABLE 79

(in millions of dollars)

Unmatured Debt Transactions	Fiscal year ended March 31			
	1968 (preliminary)		1967	
Balance at beginning of year		19,940		19,110
New issues—				
Canada savings bonds series 20			48	
Canada savings bonds series 21	79		2,271	
Canada savings bonds series 22	1,404			
Marketable bonds	2,235		1,500	
Non-marketable bonds (Unemployment Insurance Commission)	122		157	
Non-marketable bonds (Canada pension plan)	4		2	
Treasury bills (net)	170		160	
	4,014		4,138	
Maturities and redemptions—				
Matured marketable bonds	−1,680		−1,226	
Redeemed marketable bonds	−205		−5	
Redeemed non-marketable bonds (Unemployment Insurance Commission)	−86		−41	
Canada savings bonds redeemed or matured	−1,403		−2,036	
	−3,374		−3,308	
Increase in unmatured debt		640		830
Balance at end of year		20,580		19,940

Summary of security issues, maturities and redemptions

Excluding the refunding of treasury bills which mature weekly, the government issued securities of $4,014 million and redemptions and maturities totalled $3,374 million.

Net sales of Canada savings bonds series 22 were $1,404 million and additional sales of series 21 (Centennial Series) were $79 million. Redemptions and maturities of series 10 to 21 totalled $1,403 million. The net increase for all series was $80 million bringing the total of outstanding Canada savings bonds to $6,096 million.

Treasury bills increased by $170 million to $2,480 million and consisted of $1,575 million in three-month bills, $780 million in six-month bills and $125 million in a 364-day bill.

TABLE 80

DEBT MATURED OR REDEEMED DURING THE FISCAL YEAR ENDED MARCH 31, 1968

(in millions of dollars)

—	Matured	Redeemed	Total
Marketable bonds—			
4¼% 1961/63–67 AT 9	275.0		275.0
3¾% 1962–67 AT 12	100.0		100.0
4¼% 1962–68 AT 11	250.0		250.0
3¾% 1964/65–67 CT 14	250.0		250.0
4¼% 1964–68 CT 8	130.0		130.0
4¼% 1965–67 CT 18	50.0		50.0
4% 1966–67 CT 25	170.0		170.0
4¼% 1966–67 F 1	155.0		155.0
4¼% 1966–67 F 4	175.0		175.0
5½% 1966–68 F 7	125.0		125.0
2¾% 1949–74 (N.Y. loan)		16.3	16.3
2¾% 1950–75 (N.Y. loan)		10.7	10.7
5% 1962–87 (N.Y. loan)		178.2	178.2
	1,680.0	*205.2*	*1,885.2*
Non-marketable bonds—			
Canada savings bonds S10	16.5		16.5
Canada savings bonds S10–21		1,386.7	1,386.7
Unemployment Insurance Commission, 4½%		39.5	39.5
Unemployment Insurance Commission, 4⅞%		46.5	46.5
	1,696.5	1,677.9	3,374.4

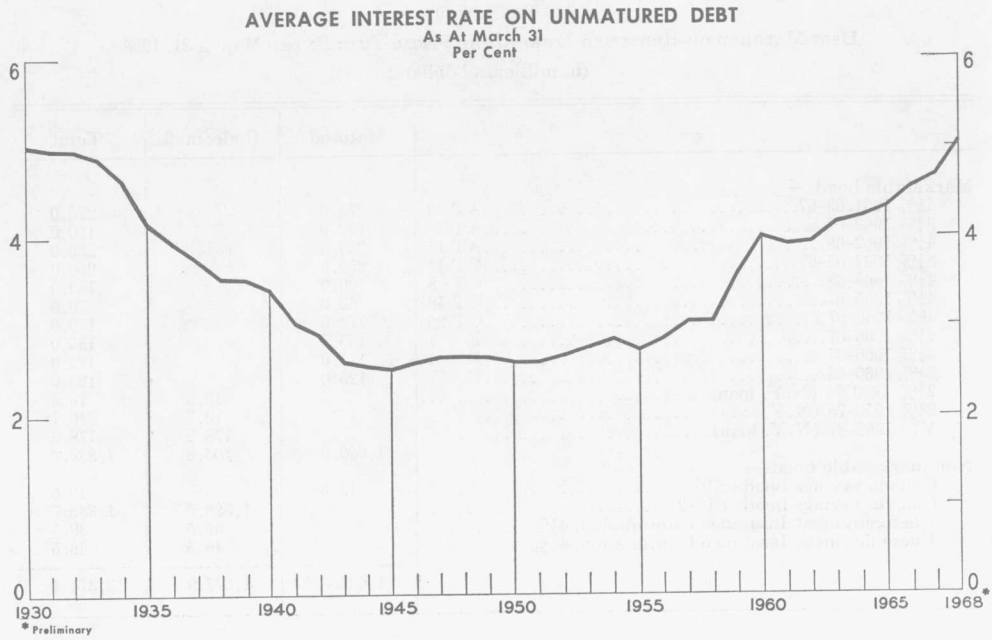
TABLE 81

NEW SECURITIES ISSUED DURING FISCAL YEAR ENDED MARCH 31, 1968

(in millions of dollars)

—	Total amount issued
Marketable bonds—	
4½% 1967–68 F 10	175.0
5% 1967–73 F 11	200.0
5¼% 1967–90 F 12	125.0
4½% 1967–68 F 13	160.0
5½% 1967–74 F 14	100.0
5% 1967–68 F 15	20.0
5½% 1967–69 F 16	70.0
6% 1967–71 F 17	285.0
4¾% 1967–68 F 18	125.0
5½% 1967–69 F 19	175.0
5% 1967–70 F 2	100.0
6% 1967–71 F 20	225.0
6¼% 1967–73 F 22	225.0
6% 1968–70 F 24	250.0
	2,235.0
Non-marketable bonds—	
Unemployment Insurance Commission—	
5%	68.0
5¾%	54.0
Canada savings bonds—	
Nov. 1, 1966—Nov. 1, 1979 CS	79.6
Nov. 1, 1967—Nov. 1, 1980 S 22	1,403.7
Canada pension plan—	
5.29%—6.44%	3.8
Weekly treasury bills (net)	170.0
	4,014.1

29180—92



Inerest ratets

The average interest rate on the government's unmatured debt rose to 5.06 per cent during the fiscal year from 4.71 per cent at March 31, 1967.

The yield on three-month treasury bills which was 4.13 per cent at tender on March 30, 1967 was 6.98 per cent at tender on March 28, 1968.

The yield on six-month treasury bills which was 4.11 per cent at tender on March 30, 1967 was 6.98 per cent at tender on March 28, 1968.

The following table shows the average high and low yields together with the average yield on the latest issues for the fiscal years 1963–64 to 1967–68 inclusive:

TABLE 82

TREASURY BILLS AVERAGE YIELDS AT TENDER

FISCAL YEAR ENDED MARCH 31	High	Low	Last issue
Three-month bills—			
1964	3.90	3.19	3.88
1965	3.87	3.53	3.62
1966	5.06	3.61	5.06
1967	5.20	4.10	4.13
1968	7.01	3.96	6.98
Six-month bills—			
1964	4.06	3.30	4.04
1965	4.06	3.69	3.73
1966	5.30	3.71	5.30
1967	5.33	4.04	4.11
1968	7.02	3.97	6.98
364-day bill—			
1968	5.65	5.65	5.65

Indirect debt or contingent liabilities

In addition to the direct debt as set out in the statement of assets and liabilities, the government has assumed certain indirect or contingent liabilities. These consist of securities of the Canadian National Railways, guaranteed as to principal and interest, the guarantees of insured loans made by chartered banks and other approved lending institutions under the National Housing Act, deposits maintained by the chartered banks in the Bank of Canada, advances under the Export Credits Insurance Act and bank loans under a number of Federal Statutes.

TABLE 83

SUMMARY OF INDIRECT DEBT OR CONTINGENT LIABILITIES

—	Amount Authorized	Amount Outstanding
	$	$
Railway securities guaranteed as to principal and interest—		
Canadian National 5% due May 15, 1968	55,800,000	55,800,000
Canadian National 2¼% due September 15, 1969	70,000,000	70,000,000
Canadian National 2¼% due January 16, 1971	40,000,000	40,000,000
Canadian National 5½% due December 15, 1971	187,683,500	187,683,500
Canadian National 3¾% due February 1, 1974	200,000,000	200,000,000
Canadian National 2¾% due June 15, 1975, U.S. $6,000,000[1]	6,486,486	6,486,486
Canadian National 5% due May 15, 1977	83,475,000	83,475,000
Canadian National 4% due February 1, 1981	300,000,000	300,000,000
Canadian National 5¾% due January 1, 1985	97,225,000	97,225,000
Canadian National 5% due October 1, 1987	156,511,000	156,511,000
	1,197,180,986	1,197,180,986
Other outstanding guarantees and contingent liabilities—		
Deposits maintained by the chartered banks in the Bank of Canada	Unstated	935,782,098
Loans made by lenders under Part IV of the National Housing Act, 1954, for home extensions and improvements[2]	25,000,000	20,209,000
Insured loans made by approved lenders under the National Housing Act, 1954[2][3]	9,500,000,000	6,311,000,000
Liability for insurance and guarantees and other commitments with respect to long-term financing under sections 21 and 21A of the Export Credits Insurance Act[2]	1,100,000,000	369,387,071
Loans made by chartered banks under the Farm Improvement Loans Act[2]	117,348,000	99,657,000
Loans made by chartered banks and credit unions under the Fisheries Improvement Loans Act[2]	2,700,000	612,000
Loans made by chartered banks under the Small Businesses Loans Act[2]	44,268,000	16,336,000
Loans made by chartered banks and credit unions under the Canada Student Loans Act[2][4]	188,084,000	180,084,000
Notes issued by the Canadian Corporation for the 1967 World Exhibition	240,000,000	228,250,000
Loans made by chartered banks to the Canadian Wheat Board	505,000,000	141,414,000
		8,302,731,169
Loans maintained by approved lending institutions under National Housing Acts prior to 1954 Act	Unstated	Indeterminate
Guarantees to owners of returns from moderate rental housing projects[5]	Unstated	Indeterminate

[1] Converted at $1.08108 Canadian official parity rate.
[2] As of December 31, 1967.
[3] As reported (in accordance with section 45, National Housing Regulations) by approved lenders as of December 31, 1967.
[4] Includes contingent liability in respect of alternative payments to non-participating province.
[5] As of December 31, 1967, funds totalling $4,059,134 were held by the Central Mortgage and Housing Corporation for the purpose of settling claims. In 1967 rental contracts totalled $12,909,000.

SUPPLEMENTARY DETAILED TABLES

REVENUE

EXPENDITURE

ANNUAL CHANGES IN LOANS AND INVESTMENTS

UNMATURED DEBT

STATEMENT OF REVENUE FOR THE LAST FIVE FISCAL YEARS
(in millions of dollars)

—	1963–64	1964–65	1965–66	1966–67	1967–68 (preliminary)
Tax Revenue—					
Income tax—					
Personal[1]	1,865.1	2,103.3	2,142.5	2,473.8	2,849.6
Corporation[1]	1,259.0	1,523.8	1,606.6	1,593.2	1,670.6
On dividends, interest, etc., going abroad	124.5	143.7	170.0	203.6	220.5
	3,248.6	*3,770.8*	*3,919.1*	*4,270.6*	*4,740.7*
Excise taxes—					
Sales tax[1][2]	946.1	1,204.6	1,395.1	1,513.6	1,601.1
Other taxes—					
Cigarettes, tobacco and cigars	226.9	218.3	238.1	251.4	266.7
Electric power export	0.1	[3]			
Jewellery, watches, ornaments, etc.	6.4	6.9	7.9	8.9	10.2
Matches and lighters	1.3	1.2	1.2	1.2	1.2
Television sets, radios and phonographs	22.0	23.5	27.0	31.2	32.6
Toilet preparations	11.1	12.8	14.1	15.5	17.9
Wines	3.8	4.1	4.4	4.8	5.3
Sundry commodities	1.3	1.4	2.2	1.2	1.5
Interest and penalties	0.8	1.2	1.6	1.9	2.2
Less refunds	−0.3	−0.3	−0.3	−0.5	−0.6
	273.4	*269.1*	*296.2*	*315.6*	*337.0*
Customs import duties	581.4	622.1	685.5	777.6	746.4
Excise duties—					
Spirits	129.4	134.7	157.0	158.2	180.5
Beer	102.9	105.4	107.9	113.3	120.2
Cigarettes, tobacco and cigars	165.7	177.2	187.1	196.4	194.6
Less refunds	−4.7	−5.9	−6.1	−6.9	−6.7
	393.3	*411.4*	*445.9*	*461.0*	*488.6*
Estate tax	90.6	88.6	108.3	101.1	102.2
Miscellaneous tax revenue	0.1	0.2	0.2	0.2	0.3
Total tax revenue	5,533.5	6,366.8	6,850.3	7,439.7	8,016.3
Non-Tax Revenue—					
Return on investments	366.4	422.7	438.3	519.1	612.3
Post office—net postal revenue	200.7	230.4	237.5	253.3	281.6
Other	136.6	143.2	152.1	146.1	166.4
Total non-tax revenue	703.7	796.3	827.9	918.5	1,060.3
Total revenue[4]	6,237.2	7,163.1	7,678.2	8,358.2	9,076.6

[1] Excluding credits to:

	1963–64	1964–65	1965–66	1966–67	1967–68 (estimated)
Old age security fund—					
Personal income tax	302.6	431.9	494.9	576.6	800.1
Corporation income tax	115.7	145.2	152.3	149.5	150.0
Sales tax	331.8	383.2	522.1	559.5	544.5

[2] Net after deduction of refunds and drawbacks as well as transfers to the old age security fund.

[3] Less than $50,000.

[4] Solicitor General vote 15, Appropriation Act No. 3, 1967, gave authority to credit thereto revenue arising from services provided thereunder. For purposes of comparison, prior years' figures have been adjusted accordingly.

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS
(in millions of dollars)

—	1963–64	1964–65	1965–66	1966–67	1967–68 (preliminary)
AGRICULTURE—					
Administration and general	3.6	4.1	4.7	5.0	6.5
Board of Grain Commissioners	6.7	6.6	7.2	7.8	9.7
Canadian Dairy Commission				(1)	0.3
Farm Credit Corporation—net operating loss	1.1	0.5	1.0	2.6	3.8
Health of animals	13.2	13.5	15.0	16.1	18.6
Land rehabilitation, irrigation and water storage projects	23.7	26.4	28.4	25.0	21.5
Production and marketing, including grants and other assistance—					
Administration and general	3.2	3.0	21.7	4.3	5.8
Agricultural commodities stabilization account—net operating loss	122.2	57.1	39.4	88.7	139.7
Agricultural products board account—net operating loss	1.0	0.3	1.6	5.7	1.4
Animal and animal products	16.3	17.7	18.3	19.8	21.6
Plant and plant products	7.1	7.7	16.4	20.3	8.5
Research	27.6	28.8	32.6	35.4	39.7
	225.7	*165.7*	*186.3*	*230.7*	*277.1*
ATOMIC ENERGY	45.9	46.5	54.4	60.2	69.3
AUDITOR GENERAL'S OFFICE	1.3	1.6	1.7	2.1	2.3
BOARD OF BROADCAST GOVERNORS	0.3	0.4	0.4	0.6	1.0
CANADIAN BROADCASTING CORPORATION—					
Grants in respect of the net operating requirements of the national broadcasting service	85.7	85.9	95.1	112.4	139.5
International broadcasting service	1.9	2.1	2.4	2.8	3.8
	87.6	*88.0*	*97.5*	*115.2*	*143.3*
CENTRAL MORTGAGE AND HOUSING CORPORATION	13.5	15.0	21.6	20.1	23.1
OFFICE OF THE CHIEF ELECTORAL OFFICER	11.9	0.6	13.0	0.9	0.7
CONSUMER AND CORPORATE AFFAIRS(2)	3.5	3.9	4.7	5.5	7.6
DEFENCE PRODUCTION—					
Defence expenditure	23.5	26.4	20.3	24.9	26.0
Non-defence expenditure	1.9	3.1	8.2	9.3	9.5
	25.4	*29.5*	*28.5*	*34.2*	*35.5*
DOMINION BUREAU OF STATISTICS	12.3	13.5	15.6	26.6	22.5
ENERGY, MINES AND RESOURCES—					
Administration and general	40.7	42.5	54.6	61.3	65.9
Dominion Coal Board	20.6	23.2	23.4	38.0	33.6
Emergency gold mining assistance	15.0	15.7	14.8	15.0	15.2
National Energy Board	0.6	0.7	0.9	1.1	1.6
Research and investigations on water resources	10.3	12.2	13.6	14.8	20.2
	87.2	*94.3*	*107.3*	*130.2*	*136.5*
EXTERNAL AFFAIRS—					
Administration and general	26.2	29.8	34.5	39.6	48.9
Assessments, contributions and other payments to international organizations and international multilateral economic and special aid programs	22.4	20.0	32.0	31.2	32.0
External aid	48.4	81.4	86.0	159.7	134.8
	97.0	*131.2*	*152.5*	*230.5*	*215.7*

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Continued*

(in millions of dollars)

—	1963-64	1964-65	1965-66	1966-67	1967-68 (preliminary)
FINANCE—					
Administration and general	7.7	7.2	9.8	21.3	19.5
Office of the Comptroller of the Treasury	23.8	24.9	25.4	29.3	32.1
Grants to municipalities and provinces in lieu of taxes	31.5	35.7	36.8	37.6	41.5
Municipal Development and Loan Board	0.1	2.7	33.9	41.8	16.7
Public debt charges including interest and amortization	993.7	1,051.3	1,110.9	1,190.5	1,300.8
Subsidies and fiscal arrangements payments to provinces	254.3	358.4	466.0	515.5	737.5
	1,311.1	*1,480.2*	*1,682.8*	*1,836.0*	*2,148.1*
FISHERIES	23.7	25.6	34.5	41.5	51.7
FORESTRY AND RURAL DEVELOPMENT—					
Administration and general	18.5	20.6	22.0	25.5	22.8
Canadian Livestock Feed Board					0.2
Freight assistance and grain storage costs	18.7	19.1	21.0	21.0	21.4
Rural development	4.6	10.0	14.1	20.0	36.7
	41.8	*49.7*	*57.1*	*66.5*	*81.1*
GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS	0.5	0.7	0.7	0.8	1.0
INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—					
Administration and general	1.4	1.5	1.4	1.9	2.6
Conservation	22.9	25.1	29.0	35.6	36.7
Indian Affairs	55.6	64.8	81.7	103.1	122.5
Northern program	34.3	35.9	44.3	56.8	69.6
	114.2	*127.3*	*156.4*	*197.4*	*231.4*
INDUSTRY—					
Defence expenditure	20.5	21.5	26.6	30.6	33.5
Non-defence expenditure	40.7	35.3	45.9	47.9	84.7
	61.2	*56.8*	*72.5*	*78.5*	*118.2*
INSURANCE	1.4	1.4	1.5	1.7	1.9
JUSTICE	9.9	10.7	11.4	12.2	15.4
LABOUR	7.9	23.4	24.0	24.9	10.9
LEGISLATION—					
House of Commons	10.1	11.1	11.5	13.9	14.3
Senate	2.5	2.7	2.7	3.3	3.4
Library of Parliament	0.3	0.4	0.5	0.6	0.6
	12.9	*14.2*	*14.7*	*17.8*	*18.3*
MANPOWER AND IMMIGRATION—					
Administration and general	2.4	5.3	5.6	7.9	19.5
Capital assistance re training facilities and manpower training research	102.0	52.8	104.1	136.2	119.3
Adult occupational training program					106.2
Employment services	19.0	21.7	22.7	32.8	32.3
Municipal winter works incentive program	26.7	42.8	41.1	37.8	30.5
Technical and vocational training assistance payments to provinces	34.4	44.4	48.7	85.2	85.6
Immigration	11.4	12.2	14.3	20.5	21.6
Program development					6.6
	195.9	*179.2*	*236.5*	*320.4*	*421.6*

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Continued*

(in millions of dollars)

—	1963-64	1964-65	1965-66	1966-67	1967-68 (preliminary)
NATIONAL DEFENCE—					
Administration and general	14.3	14.4	15.3	27.0	25.9
Canadian forces superannuation account—					
Government's contribution	59.6	58.8	58.8	42.6	58.4
Special government contribution	76.5				
Amortization of deferred charges		13.4	16.8	72.6	72.6
Defence services including development	1,473.1	1,387.0	1,401.3	1,435.3	1,528.2
Defence research	33.6	36.7	41.6	44.2	50.4
Mutual aid to NATO countries	28.9	27.5	14.6	18.7	18.0
	1,686.0	*1,537.8*	*1,548.4*	*1,640.4*	*1,753.5*
NATIONAL FILM BOARD	5.8	6.4	6.9	8.0	9.3
NATIONAL GALLERY	1.1	1.3	1.8	1.9	2.9
NATIONAL HEALTH AND WELFARE—					
Administration and general	2.0	2.3	2.5	3.0	3.9
Food and drug services	3.4	4.3	5.4	6.8	8.2
Health insurance and resources—					
General health and hospital construction grants to provinces	53.0	56.7	45.5	45.1	46.0
Government's contributions under the Hospital Insurance and Diagnostic Services Act	392.2	433.9	319.6	397.4	468.6
Health resources fund				4.7	32.7
Other				0.2	1.3
Health services	6.9	7.7	7.6	8.4	8.6
Medical services	30.6	32.5	37.5	38.5	42.5
Welfare services—					
Family allowances	538.3	545.8	551.7	555.8	558.8
Youth allowances		26.9	46.5	47.4	49.4
Fitness and amateur sports payments	1.6	2.0	2.5	4.7	3.6
Old age assistance, blind persons and disabled persons allowances	64.4	74.0	45.5	38.1	18.3
Unemployment assistance	107.4	107.5	101.7	143.3	6.1
Canada assistance plan				10.5	225.6
Other	6.9	7.0	9.1	12.0	14.7
	1,206.7	*1,300.6*	*1,175.1*	*1,315.9*	*1,488.3*
NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL	47.3	56.7	74.4	94.7	121.7
NATIONAL REVENUE	83.0	86.9	95.0	105.9	115.1
POST OFFICE	206.9	210.5	240.2	268.5	301.8
PRIVY COUNCIL	2.9	4.6	4.8	6.5	11.0
Economic Council of Canada	0.2	0.8	1.1	1.4	1.5
	3.1	*5.4*	*5.9*	*7.9*	*12.5*
PUBLIC ARCHIVES AND NATIONAL LIBRARY	1.1	1.5	2.0	2.7	3.6
PUBLIC PRINTING AND STATIONERY	2.2	2.7	3.0	4.0	4.9
PUBLIC SERVICE COMMISSION	5.2	6.2	8.0	10.8	13.4
PUBLIC SERVICE STAFF RELATIONS BOARD				(1)	1.0
PUBLIC WORKS—					
Administration and general	17.6	30.3	36.0	33.8	43.0
Accommodation services	74.3	87.3	101.7	108.5	133.8

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(in millions of dollars)

——	1963–64	1964–65	1965–66	1966–67	1967–68 (preliminary)
TREASURY BOARD—					
Administration and general	14.5	15.0	19.0	37.8	38.4
Public service superannuation account—					
Government's contribution	54.0	55.6	57.8	59.3	59.6
Amortization of deferred charges		10.0	25.9	56.3	60.6
	68.5	*80.6*	*102.7*	*153.4*	*158.6*
UNEMPLOYMENT INSURANCE COMMISSION—					
Administration and general	29.8	32.7	32.4	37.3	37.6
Government's contribution to the fund	59.3	62.1	65.6	68.8	69.5
	89.1	*94.8*	*98.0*	*106.1*	*107.1*
VETERANS AFFAIRS—					
Administration and general	10.0	10.5	10.7	9.6	10.1
Pensions for disability and death	173.2	180.3	185.6	195.9	205.6
Provision for reserve for conditional benefits	3.2	3.1	3.2	3.5	4.0
Soldier settlement and veterans land act	4.5	4.5	4.5	5.2	5.5
Treatment services	45.5	46.8	49.9	57.9	61.4
Welfare services, allowances and other benefits	96.4	106.9	115.8	118.7	114.2
	332.8	*352.1*	*369.7*	*390.8*	*400.8*
	6,856.4	7,201.1	7,717.2	8,779.7	9,869.0

(1) Less than $50,000.

(2) Previously the Department of the Registrar General.

(3) Solicitor General vote 15, Appropriation Act No. 3, 1967, gave authority to credit thereto revenue arising from services provided thereunder. For purposes of comparison, prior years' figures have been adjusted accordingly.

(4) Expenditures of the Air Transport Board, the Board of Transport Commissioners for Canada and the Canadian Maritime Commission are included under this heading.

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Continued*

(in millions of dollars)

—	1963–64	1964–65	1965–66	1966–67	1967–68 (preliminary)
PUBLIC WORKS—*Concluded*					
Harbours and rivers engineering services	23.7	30.3	35.4	38.1	43.9
National Capital Commission	12.2	10.3	18.6	33.0	23.2
Trans-Canada highway—contributions to provinces	39.2	76.1	83.4	81.0	64.7
	167.0	*234.3*	*275.1*	*294.4*	*303.6*
SECRETARY OF STATE—					
Administration and general	5.1	6.1	11.0	16.3	33.5
Centennial Commission	3.9	7.3	14.6	30.2	31.2
Grant to the Canada Council		10.0			16.9
Post-secondary education payments to provinces pursuant to the Federal-Provincial Fiscal Arrangements Act, 1967					108.0
University grants	26.8	27.3	27.7	87.1	0.2
Office of the Representation Commissioner	(1)	0.2	0.8	0.2	0.1
	35.8	*50.9*	*54.1*	*133.8*	*189.9*
SOLICITOR GENERAL—					
Administration and general		0.3	0.4	0.6	1.0
Correctional services	27.9	39.0	56.5	59.6	64.8
Royal Canadian Mounted Police[3]	50.9	59.0	64.4	84.1	87.7
	78.8	*98.3*	*121.3*	*144.3*	*153.5*
TRADE AND COMMERCE—					
Administration and general	14.8	16.9	19.6	24.7	29.6
Assistance re storage costs of grain	40.5	34.6	37.5	30.4	34.8
Canadian Corporation for the 1967 World Exhibition	1.2	19.5	4.6	8.4	7.0
Canadian government travel bureau	3.9	4.9	6.3	10.0	10.0
	60.4	*75.9*	*68.0*	*73.5*	*81.4*
TRANSPORT—					
Administration and general	3.9	6.4	4.6	6.3	7.1
Air services	121.1	131.5	143.0	165.0	175.0
Atlantic Development Board	0.2	4.3	23.8	40.0	42.4
Canadian Transport Commission[4]—					
Administration and general	2.4	2.5	2.6	3.0	3.6
Payments to railways and transportation companies under the National Transportation Act	75.1	75.7	94.7	120.9	126.0
Contributions to the railway grade crossing fund	5.1	5.1	14.0	15.0	15.0
Steamship subventions	9.4	8.3	9.4	10.8	11.1
Subsidies to air carriers			0.4	0.4	1.2
Canals and works entrusted to The St. Lawrence Seaway Authority	3.0	29.0	10.1	12.9	10.6
Marine services	64.1	64.5	84.5	100.0	101.4
Non-active assets—					
National Harbours Board	0.3	7.6	4.8	7.0	4.8
Railways and steamships—					
Maritime Freight Rates Act	13.4	14.7	15.1	14.4	14.2
Deficits—					
Canadian National Railways	43.0	38.7	33.4	24.6	35.8
Newfoundland ferry and terminals	8.6	11.1	12.4	13.0	16.5
Prince Edward Island car ferry and terminals	3.4	4.0	4.2	4.6	4.8
Yarmouth-Bar Harbour ferry service	0.2	0.1		(1)	0.4
Other	30.3	35.3	35.0	30.3	37.0
	383.5	*438.8*	*492.0*	*568.2*	*606.9*

ANNUAL CHANGES IN LOANS AND INVESTMENTS FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1963–64	1964–65	1965–66	1966–67	1967–68 (preliminary)
Loans to, and investments in, Crown corporations—					
Air Canada	0.4	−1.4	0.7	3.1	0.6
Atomic Energy of Canada Limited	0.4	12.0	11.9	28.4	32.9
Canada Deposit Insurance Corporation					29.4
Canadian Arsenals Limited			−2.5		
Canadian Broadcasting Corporation		14.3	12.5	35.0	18.4
Canadian Commercial Corporation	−4.0	−2.0	2.0	4.5	6.5
Canadian Corporation for the 1967 World Exhibition			44.0	131.0	30.0
Canadian Dairy Commission				0.1	22.1
Canadian National Railways	−28.8	24.7	59.1	124.2	163.2
Canadian Overseas Telecommunication Corporation	6.2	−0.4	−2.6	−2.7	2.6
Cape Breton Development Corporation					9.1
Central Mortgage and Housing Corporation	113.3	221.7	315.1	488.6	633.9
Export Credits Insurance Corporation	23.4	33.4	36.4	36.2	34.7
Farm Credit Corporation	69.9	102.4	147.0	164.1	169.2
National Capital Commission	12.1	6.9	7.4	7.0	0.8
National Harbours Board	5.5	1.7	3.0	19.5	27.7
Northern Canada Power Commission	3.4	5.4	2.1	0.8	2.9
Northern Ontario Pipe Line Crown Corporation	−110.6				
The St. Lawrence Seaway Authority	(1)24.9	(1)−6.5	(1)26.7	(1)29.8	(1)26.7
Other		−0.1			0.1
	116.1	*412.1*	*662.8*	*1,069.6*	*1,210.8*
Loans to national governments—					
United Kingdom	−17.8	(2)19.6	(2)19.2	−18.9	−19.2
Export Credits Insurance Act	−2.3	−2.3	−2.3	−2.3	−2.3
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada	−5.0	−5.0	−1.3	−9.9	−0.3
Loans to India for the purchase in Canada of aircraft and associated spare parts and equipment	10.0	−1.4	−2.2	−2.4	−2.7
Special loan assistance—developing countries			5.2	9.8	29.1
Other				0.1	−0.1
	−15.1	*10.9*	*18.6*	*−23.6*	*4.5*
Other loans and investments—					
Subscriptions to capital of, and working capital advances and loans to, international organizations—					
Canada's subscription to capital of—					
Asian development bank				2.7	2.7
International monetary fund				205.4	
International bank for reconstruction and development				4.5	
International development association	7.9	7.9	15.0	15.0	15.0
Working capital advances and loans to international organizations	0.2	−0.2	−0.1	−0.1	−0.3
Loans to provincial governments	−0.5	−4.8	−1.7	26.8	64.2
Municipal development and loan board		7.6	101.3	122.3	49.2
Veterans land act advances	21.0	14.3	24.1	55.2	71.5
Provincial tax collection agreements—advances	−2.7	−10.4			
Balances receivable under agreements of sale of Crown assets	−2.3	−1.8	−1.7	−1.2	0.1
Housing projects for Canadian forces	5.4	2.5	0.2	−0.1	1.1
Old age security fund	58.3	−75.0	−25.0		
Loans to manufacturers of automotive parts in Canada			0.1	12.5	7.9
Defence plant modernization					10.2
Other	−0.2	1.5	10.9	7.8	10.3
	87.1	*−58.4*	*123.1*	*450.8*	*231.9*
Net total of changes in loans and investments	188.1	364.6	804.5	1,496.8	1,447.2

(1) Includes deferred interest.
(2) Deferred interest.

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1968
AND THE ANNUAL INTEREST THEREON (preliminary)

—	Date of maturity	Rate per cent	Amount of loan	Annual interest
			$	$
Payable in Canada—				
Loan of 1936 P 1	Perpetual	3	55,000,000	1,650,000
Loan of 1967 F 10	1968 Apr. 1	4½	175,000,000	7,875,000
Refunding loan, 1950 P 9	June 15	2¾	308,581,000	8,485,977
Loan of 1967 F 13	June 15	4½	160,000,000	7,200,000
Loan of 1963 and 1964 CT 3	Oct. 1	5	441,000,000	22,050,000
Loan of 1967 F 15	Oct. 1	5	20,000,000	1,000,000
Canada savings bonds, 1959 S 14	Nov. 1	5	710,305,250	35,515,263
Loan of 1967 F 18	Dec. 15	4¾	125,000,000	5,937,500
Loan of 1960 T 39	1969 Apr. 1	5½	80,000,000	4,400,000
Loan of 1962 AT 16	Apr. 1	5½	100,000,000	5,500,000
Loan of 1965 CT 23	Apr. 1	5½	100,000,000	5,500,000
Loan of 1967 F 16	Apr. 1	5½	70,000,000	3,850,000
Canada savings bonds, 1956 S 11	May 1	4	26,279,100	1,051,164
Loan of 1964 CT 11	July 1	5	325,000,000	16,250,000
Loan of 1962 AT 13	Oct. 1	5½	80,000,000	4,400,000
Loan of 1965 CT 21	Oct. 1	5½	145,000,000	7,975,000
Loan of 1966 F 5	Oct. 1	5¾	250,000,000	14,375,000
Loan of 1967 F 19	Dec. 15	5½	175,000,000	9,625,000
Loan of 1968 F 24	1970 Feb. 15	6	250,000,000	15,000,000
Loan of 1958 T 24	May 1	3½	200,000,000	7,000,000
Loan of 1965 and 1966 CT 19	July 1	5	175,000,000	8,750,000
Loan of 1966 and 1967 F 2	July 1	5	140,000,000	7,000,000
Canada savings bonds, 1957 S 12	Nov. 1	4¾	130,099,500	6,179,726
Canada savings bonds, 1960 S 15	Nov. 1	5	174,918,200	8,745,910
Loan of 1966 F 8	Dec. 15	5¾	300,000,000	17,250,000
Loan of 1967 F 20	1971 Apr. 1	6	225,000,000	13,500,000
Loan of 1964 CT 15	June 1	5	350,000,000	17,500,000
Canada savings bonds, 1961 S 16	Nov. 1	4½	136,434,600	6,139,557
Loan of 1967 F 17	Dec. 15	6	285,000,000	17,100,000
Conversion loan, 1958 T 28	1972 Sept. 1	4¼	1,267,203,100	53,856,132
Loan of 1967 F 11	1973 Oct. 1	5	200,000,000	10,000,000
Loan of 1965 CT 17	Oct. 1	5	275,000,000	13,750,000
Canada savings bonds, 1958 S 13	Nov. 1	4¼	48,969,750	2,081,214
Loan of 1967 F 22	Dec. 1	6¼	225,000,000	14,062,500
Canada savings bonds, 1964 S 19	1974 Nov. 1	5	320,754,050	16,037,703
Loan of 1967 F 14	Dec. 1	5½	100,000,000	5,500,000
Loan of 1959 T 36	1975 Oct. 1	5½	310,361,000	17,069,855
Loan of 1965 CT 24	Oct. 1	5½	50,000,000	2,750,000
Loan of 1966 F 9	Oct. 1	5½	70,000,000	3,850,000
Canada savings bonds, 1963 S 18	Nov. 1	5	345,695,800	17,284,790
Loan of 1960 T 38	1976 Apr. 1	5½	436,198,000	23,990,890
Loan of 1954 T 11	June 1	3¼	247,046,500	8,029,011
Canada savings bonds, 1962 S 17	Nov. 1	5	715,102,550	35,755,128
Canada savings bonds, 1965 S 20	1977 Nov. 1	5	270,949,950	13,547,497
Loan of 1953 and 1958 T 5	1978 Jan. 15	3¾	207,911,500	7,796,681
Loan of 1954 T 13	1979 Oct. 1	3¼	343,246,500	11,155,511
Canada savings bonds, 1966 S 21	Nov. 1	5	1,813,296,400	90,664,820
Loan of 1962 AT 14	1980 Aug. 1	5½	120,000,000	6,600,000
Loan of 1966 CT 26	Aug. 1	5½	80,000,000	4,400,000
Loan of 1966 F 3	Aug. 1	5½	160,000,000	8,800,000
Canada savings bonds, 1967 S 22	Nov. 1	5¼	1,403,735,400	73,696,109
Conversion loan, 1958 T 29	1983 Sept. 1	4½	1,992,679,450	89,670,575
Loan of 1963 AT 21	1988 June 1	5	100,000,000	5,000,000
Loan of 1964 CT 9	June 1	5	50,000,000	2,500,000
Loan of 1964 CT 12	1990 May 1	5¼	225,000,000	11,812,500
Loan of 1967 F 12	May 1	5¼	125,000,000	6,562,500
Loan of 1966 and 1967 F 6	1992 Sept. 1	5¾	225,000,000	12,937,500
Conversion loan, 1956 T 15	1998 Mar. 15	3¾	197,045,000	7,389,188
Three-month treasury bills		various	1,575,000,000	102,349,000
Six-month treasury bills		various	780,000,000	47,052,000
364-day treasury bills		5.65	125,000,000	7,062,500
Special non-marketable bonds—				
Unemployment Insurance Commission		4⅞	17,000,000	828,750
		5	68,000,000	3,400,000
		5¼	89,000,000	4,672,500
		5½	68,000,000	3,740,000
		5¾	54,000,000	3,105,000
Canada pension plan investment fund		various	5,708,000	336,814
			20,419,520,600	1,035,901,765

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1968 AND THE ANNUAL INTEREST THEREON (preliminary)—*Concluded*

—	Date of maturity	Rate per cent	Amount of loan	Annual interest
			$	$
Payable in New York—				
Loan of 1949	1974 Sept. 1	2¾	48,755,627	1,340,780
Loan of 1950	1975 Sept. 15	2¾	30,301,591	833,294
Loan of 1962	1987 Oct. 15	5	81,297,216	4,064,861
			160,354,434	6,238,935
			20,579,875,034	1,042,140,700

The interest shown is a projection for one year at the annual rates on principal amounts outstanding at March 31, 1968. Where various rates of interest are applicable during the term of a loan the interest rate in effect at March 31, 1968 has been used.

Bonds payable in New York have been converted at the official parity rate of $1 U.S. = $1.08108 Canadian.

HOUSE OF COMMONS

Thursday, October 17, 1968

The house met at 2.30 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed the following bills to which the concurrence of this house is desired:

[*Translation*]

Bill No. S-12, an act respecting the Bonaventure and Gaspé Telephone Company Limited. Bill No. S-13, an act respecting the Excelsior Life Insurance Company.

[*English*]

DRUGS

STATEMENT ON ACTION TO CONTROL INCREASED NARCOTICS TRAFFIC

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as requested about two weeks ago I should like to make a statement with reference to drug abuses.

The programs being pursued by the Department of National Health and Welfare to deal with the problem of the use of hallucinogenic drugs by young people fall within two broad categories, educational programs and control programs. While the ideal forum for programs designed to inform young people as to the dangers inherent in the use of various hallucinogenic drugs is the schools, the availability of this forum to us is, of course, strictly limited by the fact of education being a matter within provincial jurisdiction. What we can do and are doing in this regard is making informational materials available for use by schools as well as by community organizations.

The department has purchased a number of copies of a movie, produced in the United States, called LSD: Insight or Insanity which it is making available to schools and other interested groups. As well, we have brought this film to the attention of the provincial departments of health and a number of these have ordered copies which they are also making available within their respective provinces. A film called Marijuana has also been obtained, and additional prints are on order. As soon as these are received they will be made available to schools and community groups as well.

A number of publications dealing with LSD and marijuana have been produced by the department in recent months and a major pamphlet, designed for mass distribution, is in its final stages of production. This pamphlet will be provided to the provincial departments of health. The distribution of the pamphlet within the provinces will be in the hands of the respective provincial health departments and departments of education.

It is our intention to expand this informational program in every was possible. We believe the most effective control is an informed public. As well as control by way of education, however, the department is continually reassessing and updating its legislative controls as new hallucinogenic drugs come into use among young people. By order in council P.C. 1968-1736, schedule H of the Food and Drugs Act was amended last month by the addition of DET, DMT and STP. This amendment prohibits the sale of these substances, as well as LSD which was added to this schedule some time ago. Item 29 in the list of bills enumerated by the government house leader on September 12, "A bill to amend the Food and Drugs Act and the Narcotic Control Act and to make a consequential amendment to the Criminal Code", the omnibus health bill, is designed to further increase our capacity to control the use of hallucinogenic drugs by making possession of these drugs an offence.

The department is involved in chemical research in the field of hallucinogens through studies being conducted in its food and drug directorate. It is involved in support of sociological research being conducted in British Columbia under the department's health grants program, and has provided assistance in pharmacological research being undertaken in Ontario, Quebec and Nova Scotia. The subject of drug abuse among young people will be on the agenda of the federal-provincial health ministers' conference to be held early in November, and it is hoped that further

proposals of both an informational and a control nature will come out of that meeting.

Because drug abuse is a problem which involves may different aspects and functions of the Department of National Health and Welfare, an intradepartmental committee has been established involving representatives of each of the branches of the department having a role to play in dealing with the problem. As well, we are in the process of establishing a special secretariat which will work with this intradepartmental committee in coordinating all our efforts in this area and developing plans for their expansion.

• (2:40 p.m.)

Mr. P. B. Rynard (Simcoe North): Mr. Speaker the fact that the minister has made a statement is indeed most welcome. The contents of the statement, however, must be subject to careful scrutiny. Back in August the minister, when speaking in Regina, discussed the possibility of taking marijuana out of the category of narcotics and placing it in the category of restricted drugs, which would automatically have the effect of reducing penalties. He was quoted as follows by the Canadian Press:

> The teenager who tries pot at a Saturday night party because someone has some and passes it around and everyone else tries it, may be very foolish but he isn't a criminal, at least not in the sense that I think of criminals.

He was also quoted as saying:

> Nor does it seem to me that giving criminal records to several thousand curious kids each year serves any worth-while purpose.

The minister noted a huge increase in the use of marijuana as an argument in favour of a step in the direction of permissiveness. Others may view it in an opposite light. I am prepared to concede the validity of the minister's argument that curious kids, as he describes them, should not be turned into criminals on account of that curiosity; and whether the answer lies in lessening the penalties for possession is certainly worth considering.

The major offender in the increase in the use of marijuana is, of course, the distributor; and in relation to the distributor, the individual who deliberately sets out for profit to "hook" young people on the use of dangerous drugs, there should be no lessening whatsoever of penalties; they should in fact be tightened up.

We have been witnessing in recent months a tremendous increase in the use of marijuana resulting from a tremendous increase in distribution on an organized basis, through the use of teenagers as distributors. Some of these were marijuana users who, having been introduced to this drug, have been persuaded to introduced it to others. I am sure that not even the minister will assert that it is a beneficial thing for our society to condone the widespread use of marijuana or other drugs, nor to encourage the spread of such drugs. Yet that is what is going on. Young people are being introduced in a systematic way to these drugs. They are being used to "hook" others, and then in many cases they are induced to try for a bigger kick with a bigger drug, such as heroin and others.

The only ones to benefit from this procedure are the behind the scenes peddlers working on behalf of the international crime syndicates for whom the illegal distribution of drugs brings in many millions of dollars annually, and who in pursuit of financial returns do not hesitate to destroy a whole generation of young people.

I am sure the minister must know something of the ramifications of this subject. He must know that he is playing with a force in some cases more explosive than dynamite. He must know that the accumulated experience of the ages in every country has been that these drugs, once released, cannot be controlled, and that each user is automatically a proselytizer of others. He must know that the distribution is carefully and systematically organized to create as many users as possible and to introduce them to progressively habit forming drugs. He must know that behind the teenage pusher of a few sticks of marijuana is the syndicate operator and organizer.

In August the minister talked about Saturday night parties where someone had marijuana and passed it around and everyone tried it. Does he think this is socially constructive or useful? Is this what he is trying to condone or perpetuate? We have had any number of teenagers picked up for both using and peddling marijuana. We have had teenagers picked up in increasing numbers for using other far more serious drugs. We have had an increasing number in our criminal courts destroyed mentally and physically by drug addiction at below 21 years of age. For these there must be pity and indeed some sympathy and understanding. But what of those responsible for making these drugs available to the teenagers? What of those who for gain deliberately set out to destroy young minds? Surely we are not going to make life

easier for them. Surely the government is going to do more to deal with this situation than simply making it easier to have access to marijuana.

I assume the minister must be aware that the use of marijuana is the classical entry into the addiction category. Not all those who use marijuana end up using destructive narcotics, but a great number using narcotics such as heroin began with marijuana. Is it a chance worth taking? It is the distributors and syndicate agents whom the government must bring to book and upon whom very heavy penalties indeed must be inflicted if we are to accept our responsibility to the young people of this nation.

A report of the United States treasury department dealing with the effect of marijuana upon the mind says:

> Its continued use produces pronounced mental deterioration in many cases. Its more immediate effect apparently is to remove the normal inhibitions of the individual and release any anti-social tendencies which may be present.

Few of us are without such tendencies in one form or another. It is not enough to lighten the penalties imposed on marijuana users. If the penalties are to be lightened, then distribution must be rigorously curtailed. To lighten the penalties without taking steps to halt distribution can benefit only the international drug peddlers. Distribution can only be halted by exacting severe penalties on those who make marijuana available and who engage or hire others to distribute it.

We must face the fact that marijuana is a drug the use of which divorces the mind from reality and produces personality changes as well as a tolerance and willingness for further narcotic experimentation and sometimes addiction. To expose young people to its effects while at the same time neglecting to put a stop to the operations of those who purvey marijuana for the purpose of creating a market for this and for more destructive drugs would be an indefensible failure in carrying out our responsibility.

To control the use of marijuana we need, as the minister has stated, educational and control programs. There are four interrelated approaches to the problems created by the use of marijuana. They are research, education, treatment of the addict and legislation. Legislation or education of themselves do not constitute effective answers. There must also be treatment of the chronic user. But we need far more than this. We need a medical research committee which will come up with answers concerning the effect of marijuana on the individual. The evidence we have to date points to a conflict in the assessment of the effect of this drug on the personality.

The law courts desperately need scientific guidance in the handling of the victims of marijuana, and this is a municipal, provincial and federal problem. It is not acceptable to the Canadian people for the federal government to slough off even part of the problem by saying it is a provincial matter. The fact remains that no government agency has yet set up a medical research committee to investigate the matter and report on it.

The findings of such a medical research committee should then be brought before a meeting of the provincial-federal authorities for discussion, evaluation and joint action at all levels. Then and only then will we be attacking this serious and distressing problem with all the forces at our command.

Mr. Speaker: Order, please. Before continuing this discussion I think it is my duty to remind hon. members again, more particularly with regard to a statement made yesterday and to the comments made today, that they should not disregard entirely the provisions of standing order 15 (2a) to the effect that statements made by ministers should be limited to certain facts which it is necessary to make known to the house, and that spokesmen for each of the parties in opposition to the government may comment on them briefly. I have said before and I will say again that brevity is a relative standard. It may be that my standards are slightly old fashioned.

Mr. Frank Howard (Skeena): Mr. Speaker, I will certainly try my best to comply with your standards. I listened with a great deal of interest to the statement of the minister and to the comments of the hon. member for Simcoe East, because this is an extremely important subject confronting not only people in the younger generation but society in its entirety. When we look at the fact that from January 1, 1967 to October 31, 1967, the number of arrests for possession of marijuana was in the neighbourhood of 1,300, up 300 per cent over the year before, we can realize the enormity of the problem.

• (2:50 p.m.)

This statement relates only to the so-called hallucinogenic substances, but I think there is a parallel here in terms of the attitude we have adopted to the hard line narcotic drugs

which are dealt with under the Narcotics Control Act. The experience not only in Canada but in the United States with regard to narcotics may be a guide as to what our attitude should be in relation to the so-called hallucinogenic substances.

The procedure we have followed in dealing with narcotics control in Canada does not carry with it any real proof that this procedure has been effective in either controlling the trafficking in narcotics or in reducing the number of narcotics addicts. Our approach has been a sustained hard line approach involving harsher and harsher sentences and even the use of the habitual criminal section. However, the use of the habitual criminal section of the code has not had the effect it was hoped it would have.

Even the limited recognition we give medical attention in the field of narcotic drugs must follow the arrest, conviction and penalty process. It comes as an aftermath of the more severe and harsher penalty. Probably there will always be those in our society who will look for this false paradise, who will use marijuana, amphetamines, lysergic acid, dried banana peels, nutmeg and so on. The list is interminable. In fact some people are now inhaling poisonous insecticides like Raid which people use to kill off mosquitoes. They fill a room with this spray and then inhale it. There is probably no limit to the substances people will use. In attempting to deal with the use of such substances by going to stiffer and stiffer enforcement with harsher penalties, more illegalities, more restrictions, we will find we have adopted a futile course.

As past experience has shown, such a course could be ludicrous in its application. We need only look at the types of substances the minister listed in the answer he gave yesterday when he referred to nail polish, gasoline and such substances, to realize the number of substances with which we are dealing.

I do not believe, however, we can abandon that control system. I think it is necessary. In addition, however, we have to embark on a program of research and public education. The minister's statement was much too narrow, because he said the form of education must be through the schools to our younger people. In my opinion this question of education is a much broader one. We must separate myth from fact. In so far, as marijuana is concerned there is a great deal of myth about it. We have to get to the stage some day of looking at marijuana as probably one of those substances which are less harmful than alcohol in so far as its deleterious effect upon the individual and upon society is concerned.

There is probably no single answer to this problem, Mr. Speaker, because we are dealing with individuals, and I feel we are dealing with individuals who have an illness. I believe the great increase in the use of hallucinogenics should point out to us that the illness is not confined to the individual but is an illness of society and will have to be coped with in that way. In that context the minister's statement was barren. There was no realization of the fact that it is a social illness with which we are dealing. His statement was barren of any reference to the necessity of freeing the medical profession, for the sake of argument, from any impingement upon the so-called doctor-patient relationship, upon which the profession looks with some delight. We should free ourselves from this relationship and permit the medical profession to search for treatments and for opportunities which will in turn provide answers and cures.

We have also, Mr. Speaker, to embark upon the total research and education fields. I submit that in our so-called "live it up" society where everything is done to suit the pleasures of the individual, something that seems paramount today, a few pamphlets and films referred to by the minister will not provide what is required.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, in accordance with the wish you expressed earlier, I should like to make some very brief remarks so as not to prolong the debate.

First, I should like to say that the statement just made by the hon. Minister of National Health and Welfare (Mr. Munro) can but please us, because the minister tackles a major problem which tomorrow will overcome us if we do not assume our responsibilities since we are already far behind in this field. Secondly, I should like to say that the minister's statement cannot solve the problem.

Mr. Speaker, what I regret in the minister's statement, is the fact that he says the provinces are responsible for the problem, because if you ask the provincial authorities to deal with it, they will tell you that it comes under federal jurisdiction.

It seems that the problem of the distribution of hallucinogens is going to be dealt with in exactly the same way as the problem of alcoholism in Canada these last 25 years. Mr. Speaker, there are over 100,000 alcoholics

in Quebec alone, and when you bring up the problem, people point a finger at you. When you put the problem to the provincial government, they say: That falls within the jurisdiction of Ottawa. On the other hand, when Ottawa is asked to do something about it, they say: that falls within the Quebec jurisdiction. In the meantime, people stay convinced that alcoholism is a vice instead of the disease it is proved to be.

I do not wish to hold up the debate any further, but I should like to tell the minister that although his statement pleases us to some extent, it cannot solve the problem. Indeed, we would be very happy if he were to submit to the standing committee on health and welfare legislation that could be studied in depth, so that we could really come to grips with the problem of the distribution of hallucinogens. It seems to me we should delve deeply into our methods, our ideas, our policy and our philosophy, in the field of research as well as in the fields of information, education, legislation and cure, since it is more of an illness than a vice.

I would not like attacks to be made against the young under the pretext that they use hallucinatory drugs. I think they should be directed instead against the adults who use those young people to attain their own ends.

I therefore ask the minister to take immediately effective measures to protect our young generation against certain adults who think they are the only ones who have discovered America, who exploit the possibilities of our children and who will bring about tomorrow the degradation of our children, if we do not assume our responsibilities.

Once again, Mr. Speaker, I would like to ask the minister to introduce specific measures to enable us to assume our responsibilities in that field. We should stop passing the buck from one government to another. We should work hand in hand to treat those people as they deserve.

[*English*]

EXTERNAL AFFAIRS

PRIVATE AND OFFICIAL EXCHANGES WITH WARSAW PACT COUNTRIES

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on October 15 the Leader of the Opposition asked whether I would make a statement on exchanges of a political nature with Warsaw pact countries. When the invasion of Czechoslovakia by the Soviet union, Poland, Hungary, Bulgaria and East Germany took place, Canada condemned it unequivocally. Our condemnation, if it was not to be simply a matter of words, clearly required concrete expression as well. Since much of the substance of our relations with the invading countries has been in exchanges of visits and information under official auspices in various technical and scientific fields, it was in this area that our position could be most clearly demonstrated.

• (3:00 p.m.)

In the case of departments and agencies of the government, this policy has been applied directly. In the case of individuals and private organizations we have naturally left the decisions to them to make, while giving advice on request.

The government decided first that planned exchanges having political content, that is those at a ministerial level, should not take place for the time being. Among these, for example, was the attendance of a Soviet delegation at the convention of the Canadian Institute of Forestry in St. John's, Newfoundland. This delegation was to have been headed by a minister of the so called Latvian Soviet Socialist Republic, a government which I may say is the product of an earlier Soviet military occupation, the legality of which Canada has never recognized. Our decision in this case was taken in consultation with the government of Newfoundland and the interested private companies. Certain other visits, proposed or contemplated, which would have involved other Soviet ministers have also been set aside for the time being.

The government decided, second, that under the circumstances created by the invasion of Czechoslovakia it would be inopportune to embark on new exchange projects for the present, irrespective of their political content. Certain existing and ongoing exchanges of a purely technical, cultural or academic nature, some of which are of long standing and of considerable value to Canada, are nevertheless continuing. Most of these are, of course, carried out under private auspices. Among them I might mention the established exchanges of students between certain Canadian and Soviet universities.

A number of private Canadian firms and organizations which had planned shorter term visits or exchanges have postponed or cancelled them on their own initiative, since they, like other Canadians, were shocked by

the invasion of Czechoslovakia. In some cases these organizations have sought the advice of the government and have taken their decisions in the light of government policy as it was explained to them. As I have indicated, however, where private organizations or individuals have decided that for various reasons they wish to continue existing arrangements, it is not the government's policy to put obstacles in their way.

In adopting the policy I have described we have borne in mind that the exchanges which have grown up and flourished in recent years between Canada and the communist countries can be of considerable intrinsic value to Canada commercially, technologically, culturally and in other ways.

We have made it clear to the U.S.S.R. and its allies that our relations have been damaged by their action, and that the continued presence of their occupying forces in Czechoslovakia is an obstacle to their restoration. In doing so I wish to make clear we remain convinced that genuine and peaceful co-operation between east and west is in fact possible without the abandonment of principles on either side, but will not be possible as long as one side believes it can do violence to the principles of the other. Human survival itself may depend on the recognition of that fact.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I shall not take the time of the house this afternoon to make any particular comment about the minister's statement. I only wish to say that I do not think the measures he is discussing will take the matter very far.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to make a brief comment about the minister's statement. We, like other members of the house, were deeply shocked by the military intervention of the Soviet forces in the internal affairs of Czechoslovakia. It is perfectly obvious that that move must damage international relations. Nevertheless we suggest that there should be no overreacting to this event. One of the reasons for this occurrence may have been the internal situation and fear within the U.S.S.R. which, we believe, is not as monolithic as it looks from the outside. We hope this occasion will not be used in any way to cut down or cut off the contacts between this country and other countries and those countries behind the so called iron curtain.

[Mr. Sharp.]

COMMITTEES OF THE HOUSE

CHANGES IN PERSONNEL OF STANDING COMMITTEES

Hon. Donald S. Macdonald (President of the Privy Council) moved:

That the name of Mr. Lind be substituted for the name of Mr. Borrie on the standing committee on agriculture.

That the name of Mr. Stafford be substituted for the name of Mr. Hymmen on the standing committee on broadcasting, films and assistance to the arts.

Mr. Lind: Mr. Speaker—

Mr. Speaker: Order, please. Will the hon. member kindly allow me to put the motion.

Is it the pleasure of the house to adopt the said motion?

Motion agreed to.

Mr. J. G. Lind (Middlesex): Mr. Speaker, I should like to have had the privilege of speaking before the motion was adopted by the house, because I have a grievance. Originally I was placed on the committee on agriculture. I received notice to attend the agriculture committee meeting at 9.30 yesterday morning. When I arrived at the committee meeting I was told I was no longer a member of the committee.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Lind: I realize now that my name was removed from the committee on agriculture at six o'clock on October 15. I should like an explanation of why that was done.

Some hon. Members: Oh, oh.

Mr. Lind: Mr. Speaker, I think whoever is in charge of this—

Some hon. Members: Oh, oh.

Mr. Lind: —should give an explanation why this was done. I was taken off the committee; now I am being replaced, but I have never been consulted in the matter, and I think I deserve that explanation.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. I must bring to the attention of hon. members that the motion placed before the house was carried. It is not debatable. The hon. member rose on a question of privilege, but I suggest there should be no debate, since it is rather a grievance than a question of privilege. The hon. member

himself termed it a grievance. He told the house he had a grievance and essentially this is not a question of privilege. According to the rules the hon. member is required to give written notice if he proposes to raise a question of privilege which he has not done. I suggest therefore that this matter should not be debated at this time.

Mr. Lind: On a point of order—

Some hon. Members: Hear, hear.

Mr. Speaker: Is the hon. member for Middlesex rising on a point of order?

Mr. Lind: I was wondering if the man in charge could explain why this has taken place.

Mr. Speaker: The hon. member may have his reasons for asking for an explanation, but I suggest it should not be given to him in the house at this time. Perhaps there might be private consultations.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, am I to understand that backbenchers of the opposition parties are not permitted to come to the aid of a Liberal backbencher?

Mr. Lind: Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. Would the hon. member kindly resume his seat for one moment. He must resume his seat if he wants to give me the opportunity to recognize him.

• (3:10 p.m.)

Mr. Lind: I did telephone the minister in charge but he didn't see fit to reply.

Some hon. Members: Oh, oh.

Mr. Lind: So I think I deserve an answer in the house.

Mr. Speaker: Order. Is there unanimous consent to allow the minister to give an explanation?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): I returned the hon. member's telephone call, Mr. Speaker, but there was no answer at the other end.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): I spoke to my hon. friend in the lobby before we came into the house. I said "Jim, you were calling me. You have something to say?" and he said "No, I don't." So I am pleased to hear from the hon. member further even at this late date. He is anxious to be a member of the agriculture committee, and I am delighted that the house has approved his being on that committee.

Mr. Diefenbaker: On a question of privilege—

Mr. Speaker: Order. I have already ruled that there is no question of privilege. It may be that by unanimous agreement the house would allow the right hon. gentleman to speak.

An hon. Member: No. It is a private fight.

Right Hon. J. G. Diefenbaker (Prince Albert): This is a matter which affects every member of the house. As soon as a person is chosen to be a member of a committee an order of the house is made and no person, not even the leader of the house, has any right to remove that member's name from the list. This is a serious question of privilege affecting the rights of members of this house. They cannot be pushed around by anyone once the house has reached a decision.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I am sure Your Honour is interested in this new question of privilege raised by the right hon. member for Prince Albert. I recall that this practice has been followed in past years. House leaders and others in similar positions have at the request of opposition whips replaced opposition members on committees, and I take it the practice is still to continue.

Mr. Thomas M. Bell (Saint John-Lancaster): But that has always been at the request of the individual member concerned. I say this so that the minister's statement shall not go unchallenged.

[*Translation*]

POST OFFICE DEPARTMENT

PRIVILEGES OF MEMBERS OF PARLIAMENT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, pursuant to standing order 26, I ask leave to propose that the house now adjourn its proceedings to discuss an urgent and pressing matter affecting all hon. members.

Post Office Department

On October 10, 1968, the Postmaster General (Mr. Kierans) who is not in the house today, forwarded to senators and to members of the House of Commons a letter concerning changes in postal rates.

My question of privilege, Mr. Speaker, concerns the fact that the Postmaster General says at the beginning of his letter, and I quote:

Changes in postal rates

I refer to the statement already made with regard to adjustments in postal rates and certain changes in the rules which will come into force on November 1, 1968, under the authority given to me by the post office act.

The following changes will be of special interest to members of the Senate and the House of Commons.

Mr. Speaker: Order. The hon. member knows that under the standing orders, he should indicate to the Chair the terms of the motion that he wishes to introduce. A while ago, he himself stated that he wished to suggest adjournment of the business of the house under standing order 26, and not as a question of privilege. In that case, he must abide by the provisions of standing order 26.

Mr. Rondeau: Mr. Speaker, as it happened, I was reading what the Postmaster General wrote to the hon. members, and I submit that he is mistaken, since the Post Office Act does not allow him to modify any of the privileges that the hon. members have voted for themselves.

In fact, it is not up to the Postmaster General to grant us privileges, or to modify or take away those which we already possess. For these reasons, Mr. Speaker, I suggest that the house adjourn its business at this time to study this matter, and in referring to the letter of the Postmaster General—

Mr. Speaker: Order. The standing orders require the hon. member to submit to the Chair a copy of the motion, so that it may be debated at this time.

Mr. Rondeau: Mr. Speaker, I should like, in order to co-operate—

Mr. Speaker: Order. Would the hon. member allow me to examine for a moment the motion which he wants to introduce in this house?

Would the hon. member now indicate to the house and to the Chair the reasons for holding the debate now, that is, the urgency of the matter?

[Mr. Rondeau.]

Mr. Rondeau: Yes, Mr. Speaker, it is because the Postmaster General tells us that this rule will become effective on November 1, and I feel that this house ought to study the problem today, because this decision is contrary to the Revised Statutes of Canada 1952, Chap. 212, section 17 (3), page 12, and I quote:

A member of the Senate or House of Commons may during a recess of Parliament, send from Ottawa, free of postage, any papers printed by order of either the Senate or the House of Commons.

I feel that this new change in postal rates that the Postmaster General announced on October 10, and which will become effective on November 1, is contrary to our legislation and that he has no right to interfere with the rights already acquired by the hon. members who voted them.

Therefore, Mr. Speaker, I move the adjournment of the business of the house to consider this interference of the Postmaster General in a field which does not concern him.

Mr. Speaker: Should other honourable members wish to express their opinion at this stage on the urgency of debate I will hear them. Otherwise, I will give my ruling.

I must remind honourable members of the terms of subsection (2) and others of standing order 100 in the Fourth edition of Beauchesne's Parliamentary Rules and Forms. The author refers to the circumstances that should prevail in order to warrant adjournment of debate in the house under standing order 26. Subsection (2) states the following:

The "definite matter of urgent public importance" for the discussion of which the adjournment of the house may be moved under standing order 26, must be so pressing that public interest will suffer if it is not given immediate attention.

I must say to the honourable member that honestly, I wonder whether public interest would suffer from a delay in debate on this question. Some honourable members' interest may possibly suffer from it but I do not believe it would necessarily follow that public interest will also suffer.

For that reason, I do not believe the question asked by the honourable member warrants the adjournment of business slated for today.

[*English*]

EXTERNAL AFFAIRS

INVITATION TO NIGERIAN FOREIGN AFFAIRS COMMISSIONER TO VISIT CANADA

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, when the conversation across the aisle is finished I have a question for the Secretary of State for External Affairs. I should like to ask whether the minister, anyone in his department, or anyone representing Canada at the United Nations has discussed with Dr. Okoi Arikpo, the Nigerian commissioner for foreign affairs, any suggestion or indication that he come to Canada shortly.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have heard from our delegate in New York that Mr. Arikpo is planning to come to Canada at the end of this month, but I have had no further confirmation.

Mr. Lewis: Did the report which was given to the minister contain the reason anyone invited Dr. Arikpo to come to this country? I am not suggesting that he will not receive the usual warm and courteous reception, but was there any reason suggested for the visit?

Mr. Sharp: No. As I recall the circumstances Mr. Arikpo expressed a desire to come to Canada and, of course, we would be very happy to welcome him.

Mr. Lewis: May I ask the minister whether our representatives at the United Nations have discussed with anyone the possibility of having a representative of the Biafran authorities come to Canada for the same purpose for which I imagine Dr. Arikpo is coming to this country? If not, will he give consideration to this?

Mr. Sharp: The hon. gentleman knows very well that we do not recognize the government of the republic of Biafra, and therefore it would be impossible for us to extend any such invitation.

Mr. Lewis: I rise now on a point of order, Mr. Speaker. The minister when he answered my original question did not say that an invitation had been extended to Dr. Arikpo. Now he is suggesting that he cannot discuss this matter with the Biafran authorities because he cannot extend an invitation to them.

Mr. Sharp: I do not understand the purport of the question. We recognize the government of Nigeria. The commissioner for foreign affairs expressed an interest in coming to Canada and I said we would be very glad to welcome him. We do not have relations with the government of Biafra; therefore, it would be impossible to extend any such invitation.

FINANCE

REPORTED WARNING RESPECTING COST OF JOINT PROGRAMS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had a question for the Minister of Finance. I do not know whether it is his day, but he was here. I will ask the question upon his return.

[*Later:*]

Mr. Stanfield: Mr. Speaker, I have a question for the Minister of Finance relating to the estimates. Has an arrangement been made to table any correspondence from the province of Ontario in which that province warned the federal government that its estimates as to the federal share of certain joint programs were substantially wide of the mark?

Hon. E. J. Benson (Minister of Finance): This is a question which should be addressed to my colleague the President of the Treasury Board. I believe he has or intends to make a statement in this regard.

Mr. Stanfield: I thought it would be in order to direct it to the Minister of Finance because he was the president of the treasury board at the time. Can he say whether any such correspondence has been received from any other province?

Mr. Benson: No such letter was brought to my attention before the tabling of the estimates.

Mr. Stanfield: Would the minister say whether at the time of the filing of the prospectus with the securities and exchange commission in the United States on May 28, he was advised or whether he inquired at that time about the rate at which the federal estimates for hospital care and post-secondary education grants were being used up?

Mr. Benson: The document filed with the securities and exchange commission was an historic document. It indicated public statements by the government prior to that time with regard to the estimates. I should also indicate to hon. members opposite that far

from people feeling deceived, these bonds are now trading at $103 in New York.

Mr. Stanfield: I do not wish to be insistent, but I wonder whether the minister would answer my question concerning whether he made inquiries at the time he gave this representation on behalf of the government of Canada.

Mr. Benson: Of course I made inquiries concerning the position of the government. At that time the position of the government was that we knew certain expenditures would be changed. It was our hope at that time that we could save an equivalent amount in controllable non-statutory expenditures. This proved to be not the case.

Hon. George Hees (Prince Edward-Hastings): I should like to ask the minister if the government has made a decision whether the $116 million federal share of the Expo deficit is to be added to the regular budget deficit or whether some other disposition is to be made of it?

Mr. Benson: A decision has not been made at this time, but my hon. friend knows that the amount involved has been paid by the federal government and that indeed we are recovering cash with regard to the funds advanced to Expo.

Mr. Stanfield: Am I to assume from the answer that as of the end of May the government had no indication that expenditures would be running substantially above the estimates tabled in the House of Commons?

Mr. Benson: I can assure my hon. friend that it was the hope of the government that it would be able to stick to the public statements that had been made prior to that time.

Hon. Marcel Lambert (Edmonton West): Will the minister advise us whether the computers have been of assistance in this area equal to his wild forecasts?

Mr. Speaker: Order, please. I doubt whether that question is acceptable.

Mr. Lambert (Edmonton West): It was the minister himself who made the assertion that the computers were of great assistance.

Mr. Speaker: This is developing into a debate.

[Mr. Benson.]

[*Translation*]

EXPO '67

INQUIRY AS TO SALE OF EXPO EXPRESS

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to address a question to the honorable Minister of Industry, Trade and Commerce.

Is it his intention to obtain a revision of the decision regarding the sale of Expo Express, a decision which did not please the president of the executive council of the city of Montreal and which was reached on the vote of the federal representative to the World Exhibition Corporation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, it is not my intention to ask that the decision be reconsidered. In December 1967 and March 1968, if I remember well, the federal and the provincial government issued orders in council asking the corporation to sell Expo Express by public tender.

Since then, and particularly since last June 25, the city of Montreal could have made representations to the federal or provincial governments to ask for reconsideration of the decision. The city of Montreal could very well have tendered also. She did neither, except at the very last minute.

However, those who had submitted bona fide tenders had I think gained certain rights the more so as they had been assured that the selection of tenders would be made on a commercial basis.

The only reason why we could change our decision now would be the consideration of the price quoted by the selected tenderer. However, the price quoted has been deemed, from a commercial viewpoint, to be acceptable to the company. It seems to me therefore there is no reason why the company's decision should be changed.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, may I put a supplementary question concerning the site of the World Exhibition?

Has the honourable Minister of Industry and Trade and Commerce been advised that an offer was made by the *Fondation Molière*? Has he read the brief asking that Cité du Havre not be demolished and that it be handed over to the *Fondation Molière* for the purpose of setting up a film centre?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, I have received no such letter.

Mr. Valade: Mr. Speaker, I rise on a point of order. The letters were sent to the right honourable Prime Minister and to the Minister of Transport asking them to intervene with the cabinet.

As the three ministers concerned are the Minister of Industry and Trade and Commerce, the Minister of Transport, and the right honourable Prime Minister, I wonder whether the hon. Minister of Industry and Trade and Commerce could not go over the matter again with his colleagues and give another answer to the house within the next few days?

Mr. Pepin: With pleasure, Mr. Speaker.

[*English*]

POST OFFICE DEPARTMENT

REPORTED CHANGE RESPECTING RURAL MAIL DELIVERY ON SATURDAY

On the orders of the day:

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I should like to ask the Prime Minister whether the Postmaster General was expressing government policy when he announced in London last night that changes in the decision to cancel Saturday rural mail deliveries would be forthcoming.

Right Hon. P.-E. Trudeau (Prime Minister): I do not know exactly what the Postmaster General said last night in London, Mr. Speaker, but I know he has been considering the decision and intends to present the bill to the house for second reading when the time arrives, I believe next Monday.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister whether the heads of daily and weekly newspapers in Canada asked to meet the Prime Minister in reference to the cutting off of service and the increase in rates? Has the Prime Minister seen them and did he suggest he may change the decision in this regard?

Mr. Trudeau: To my knowledge, Mr. Speaker, they have not asked to see me, but I do know there has been quite a bit of discussion with the Postmaster General.

Mr. McCutcheon: Mr. Speaker, I should like to ask the Prime Minister to give us a little more information in this regard. There is no reference to a five day week in the post office legislation and I am wondering why it is necessary to postpone the decision until the time of presentation of the bill?

Mr. Trudeau: As the hon. member knows, second reading of this bill will take place on Monday.

Mr. McCutcheon: The five day week is not mentioned in the bill.

Mr. Trudeau: The Postmaster General will be discussing it at that time.

Mr. McCutcheon: That is the whole point of the question. This is not in the bill.

Mr. Trudeau: The position of the Postmaster General will be outlined in his statement on second reading. That will be when hon. members will learn about this matter.

HOUSE OF COMMONS

NANAIMO-COWICHAN-THE ISLANDS—INQUIRY AS TO BY-ELECTION

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask the Prime Minister when, in view of the continuing lack of a representative in this house for the constituency of Nanaimo-Cowichan-The Islands, he envisages a by-election? Will it be held during the present year?

Right Hon. P.-E. Trudeau (Prime Minister): I am carefully considering that question, Mr. Speaker, but I have not yet reached a decision.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

In view of the fact that Quebec has reimbursed the $100 million it owed to British Columbia and considering the deficit of close to $1 billion incurred by Canada, has your government, Mr. Prime Minister, given consideration to borrowing from British Columbia the $8 million it wants to lend to Nigeria?

Mr. Speaker: Order. I remind the hon. member that he must address the Chair when asking questions.

Mr. Dumont: Mr. Speaker, I wish to ask a supplementary question. I was not given the floor earlier when I wished to ask a supplementary question regarding Nigeria; what I have to say is about Nigeria, Mr. Speaker. May I ask the question?

Mr. Speaker: I recognize the hon. member for Hull.

Inquiries of the Ministry

[*English*]

DOMINION-PROVINCIAL RELATIONS

CONSIDERATION OF DISALLOWANCE OF NEWFOUNDLAND COMPANY LEGISLATION

On the orders of the day:

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, in view of the loss of income tax and the possible serious disruption to the Canadian petroleum industry which may result from the projected refinery complex of the Newfoundland government and the Shaheen corporation, has the government given consideration to disallowing the Newfoundland legislation which is the basis of this dangerous situation?

Right Hon. P.-E. Trudeau (Prime Minister): We have considered that, Mr. Speaker. The Minister of Finance is prepared to answer the question.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as I mentioned when this question was raised previously in the house, matters of this kind are not limited to the Shaheen corporation. We have been investigating this and similar corporations which have been set up in that province. I hope to have a report in this regard within a week or so.

EXTERNAL AFFAIRS

NIGERIA—STEPS TO HALT SHIPMENTS OF ARMS

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker in view of the growing world opinion that a stoppage of arms shipments is the quickest way to achieve the cease fire we all want in Nigeria and Biafra, will the Secretary of State for External Affairs indicate what recent steps the government has taken toward reaching this objective with the great powers concerned?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am quite sure that when the Prime Minister of Canada expresses the view of the Canadian government it is well known around the world.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, as I said earlier, I wanted to direct a supplementary question and now the opportunity offers itself.

I should like to ask the hon. Secretary of State for External Affairs whether the $8 millions loaned to Nigeria will contribute to pay for the bombs that England sells to that country to murder the Biafrans?

[Mr. Speaker.]

Mr. Speaker: I have already ruled that question out of order.

[*English*]

Mr. Fairweather: Mr. Speaker, I should like to know what reaction the government has received to the most interesting statement by the Prime Minister regarding the stopping of arms shipments? What have Britain, the U.S.S.R. and France said?

Mr. Sharp: Mr. Speaker, as I understand it, arms shipments have not yet stopped.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I should like to ask whether relief supplies to be distributed by aircraft are piling up on the docks at Lagos because of the lack of transportation from the docks to the airport?

Mr. Sharp: Mr. Speaker, the information we have from Lagos is not to that effect but rather that the food is being distributed.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, will the minister tell the house how many Hercules aircraft the Red Cross is flying into territory held by the Biafran authorities?

Mr. Sharp: So far as the International Red Cross is concerned, it has one Hercules at its disposal. It has not been flying very regularly into Biafra. When we complied with the request of the International Red Cross we responded in such a way that our aircraft could fly continuously once permission was granted to allow it to fly at all.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the reference in the British *Hansard* to the fact that Jeremy Thorpe, the leader of the Liberal party in Britain, contacted the Prime Minister and asked him to use his influence to achieve a cease-fire and a halt in the supply of arms by all nations to Nigeria, has the Prime Minister responded to this request and to what effect?

Right Hon. P.-E. Trudeau (Prime Minister): I must confess, Mr. Speaker, that I have not been seized with this request and know nothing about it. I am not a regular reader of British *Hansard*. I expressed a few days ago in this house the government's thoughts in respect of the supply of arms to Nigeria and Biafra. I hope the members of the N.D.P. will contact the leader of the Liberal party in Britain and express a view to the same effect.

Some hon. Members: Hear, hear.

Mr. Brewin: Let me assure the Prime Minister that we have communicated with the British government.

An hon. Member: Which you have not done.

Mr. Hellyer: What did they say to you?

Mr. Brewin: If the Prime Minister is not a regular reader of British *Hansard*, I should like to suggest that he read the copy of July 22 in which this statement was made by the leader of the Liberal party there.

Mr. Trudeau: I will be pleased to do so, Mr. Speaker, and I would be interested to know what answer was received by members of the N.D.P.

Mr. Lewis: Unfortunately you are the Prime Minister of Canada.

Mr. Hellyer: You mean fortunately.

Mr. Lewis: That is a pretty smart-aleck response to an important question.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

[*Later:*]

Mr. Trudeau: Mr. Speaker, I wish to allude to a question asked a few minutes ago by the hon. member for Greenwood. I have had an opportunity to check with my office and have learned that a letter was received in my office from Mr. Thorpe and some of his Liberal colleagues during the summer.

AGRICULTURE

INQUIRY AS TO ASSISTANCE TO WESTERN FARMERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I find that according to the revised roster the Minister of Agriculture is supposed to be here today, but in fact he is not. You will have to revise the roster again. Let me direct my question to the Minister of Trade and Commerce. Will he advise what steps, if any were decided upon yesterday in Winnipeg regarding the setting up of a grains council? As a result of his pilgrimage to the west is the minister able to indicate what serious action the government of Canada intends to take regarding the difficult position in which western farmers find themselves as a result of climatic conditions?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, there are really two questions there, and I hope you will give me double time to answer them. The first question has to do with the grains council. Indeed we had an excellent meeting yesterday in Winnipeg. I think there was unanimous or fairly unanimous agreement that such a council should be created. We discussed at length the composition, terms of reference and the financing of the council. There was quite an amount of consensus with regard to each one of these points. The federal government is now going to put all these consensuses on paper for reference to the various organizations which took part in the meeting yesterday, and we hope this will be the basis for the creation of the council in the next month or so.

With respect to the second question, Mr. Speaker, I want to say that one of the things that could be done would be passage by this house of the cash advance payment legislation which is awaiting final approval.

Some hon. Members: Hear, hear.

Mr. Pepin: The wheat board is carrying on an intensified search for markets round the world. I pray every morning, like the hon. member for Prince Albert, that this will result in fantastic or at least very interesting sales. We are studying at this time ways and means by which we might further improve the competitive position of the wheat board in world markets.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. I would like to find out what answer has been given to the minister's prayers. Where have any markets been secured in the last three months that will reduce the fabulous carryover of wheat in western Canada? Second, what action will be taken in those areas where farmers have little or no hope of securing, when the threshing is done or the harvesting completed, a crop other than damp wheat which is virtually unsaleable?

Mr. Pepin: Mr. Speaker, the Minister of Industry, Trade and Commerce is very close to God—

Some hon. Members: Oh, oh.

Mr. Crouse: How close is God to you?

Mr. Pepin: —and it is well known that God has been kind to ministers of trade and commerce in the past under any administration, and I hope he is going to pull a new trick

once again as He did for my hon. friend back in 1961.

With respect to possible sales by the wheat board, I thought I answered this question last week when I said that parliament was not a market place and that one of the conditions for success in world wheat marketing is not to divulge too generously the whereabouts of your salesmen.

Mr. Diefenbaker: A further supplementary question, Mr. Speaker. In view of the fact that the hon. gentleman is so close to the Deity—and he turned to the right when he said that—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —I would ask him whether the western farmers have anything else to depend upon in regard to the securing of markets than this close affiliation with the Almighty?

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. On October 9 the minister promised to inquire into the report that the French government was selling wheat to Japan at prices below the international minimum. Has he done so, and with what result?

Mr. Pepin: I have done so, Mr. Speaker. There have been no recent purchases of wheat by Japan from France other than a part cargo during the latter part of August. We are assured that France is offering wheat to Japan at prices in accordance with the pricing provisions of the international grains arrangement.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. If the minister is unable to obtain a favourable answer to his prayers, would he consult one of his distinguished colleagues on the fine art of osculation?

Some hon. Members: Oh, oh.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Would he use his good offices to convince the house leader that the question of cash advances should be debated today and tomorrow if necessary so that this necessary legislation may be passed? We have been asking unsuccessfully for some time that this be done.

[Mr. Pepin.]

Mr. Pepin: Mr. Speaker, I understand that it would have been passed the other day had the hon. member not objected.

Mr. Horner: Mr. Speaker, I rise on a point of order. The hon. gentleman has imputed motives to my speaking in this house.

Some hon. Members: Oh, oh.

Mr. Horner: I have repeatedly requested the government to do this. On one occasion through the house leader on this side of the house and on a number of other occasions I myself have asked the government house leader to bring on the cash advances legislation before the farm credit bill was debated or even begun. I have repeatedly asked that this be done but with no success or co-operation from the other side of the house. I ask the minister to use his good offices to bring in this legislation as quickly as possible. There is no question of our holding it up.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a further supplementary question for the Minister of Industry, Trade and Commerce. Can the minister tell us if, in his discussions with some of the members of the wheat board yesterday, they said whether they are considering suspending temporarily any movement of dry grain from country elevators. This would be an inducement to farmers to thresh damp grain and move the damp grain instead.

Mr. Pepin: Mr. Speaker, I did take up this question yesterday with the wheat board. To sum up the report I got, three things are now being done: first, the terminals are readying their equipment to handle the expected large quantities of damp grain; second, some grain has already been moved from the inland terminals to provide space for damp grain which can be dried in these facilities; third, on October 15 the Canadian Wheat Board and the Board of Grain Commissioners issued instructions to the trade authorizing priority to the shipment of damp grain from country elevators to terminal positions.

Mr. Les Benjamin (Regina-Lake Centre): A supplementary question, Mr. Speaker. Following the minister's discussions with the wheat board with regard to the movement of tough and damp grain, will the wheat board be specifying that delivery quotas will be for tough and damp grain in relation to any grade?

Mr. Pepin: Mr. Speaker, I will have to take this question as notice.

LABOUR CONDITIONS

PROGRAMS TO RELIEVE UNEMPLOYMENT IN ATLANTIC REGION

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the minister responsible for regional development. In view of the fact that the Atlantic region is experiencing a much higher rate of unemployment this year than was the case in 1967, as acknowledged by the Minister of Finance in the economic white paper for 1968, can the minister say whether his department and the government have any specially designed program to offset the effect of economic readjustment by the government on the unemployment situation in the Atlantic region?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Yes, Mr. Speaker, we have on-going programs.

Mr. Lundrigan: A supplementary question, Mr. Speaker. Could the minister say when he is prepared to give a statement to the house on pending programs of development?

Mr. Marchand (Langelier): When my estimates are before the house, Mr. Speaker.

THE CANADIAN ECONOMY

NEWFOUNDLAND—EXPENDITURES ON REGIONAL DEVELOPMENT

On the orders of the day:

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question, Mr. Speaker. Is the minister ready to answer the question I posed to him yesterday, No. 82 on the order paper, which has to do with regional development?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Perhaps I might take the opportunity to deal with this question, Mr. Speaker. When the hon. member asked it yesterday the minister asked me to make inquiries. It is a detailed question, and we are hoping the information will be available probably on Monday next.

Mr. Marshall: Mr. Speaker, this answer has been promised to me daily since last month. The details were going to be given to me every day since September 19, and I still do not have them.

WATER RESOURCES

BRITISH COLUMBIA—INQUIRY AS TO NEGOTIATIONS

On the orders of the day:

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. Following the meeting of resource ministers last week, I would like to know whether there has been any progress on negotiations with the province of British Columbia toward the commencement of a study of water resources and pollution abatement in the Okanagan-Shuswap water basins?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to inform the house that there have been such negotiations with the province, and I am now assured that the provincial and federal officials of the respective departments will be meeting shortly to consider the ambit and the cost of a survey in this region.

HARBOURS

ROBERTS BANK—PROPOSED NEW ACCESS ROUTE

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a question for the Minister of Transport. Is the minister aware of the "second look" proposals tabled yesterday in British Columbia relating to the Roberts Bank port development, and what action does he propose at this point?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I was informally advised of the proposed new route. I have asked to be provided with a map showing the exact routing with all other pertinent information in order that I may study it.

Mr. Rose: Mr. Speaker, I have a supplementary question for the minister. In view of the urgency of obtaining information related to this development, can the minister say when he will be in a position to deal with my notice of motion for the production of papers No. 12 of September 24?

Mr. Hellyer: Soon, Mr. Speaker.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister of Transport. Having asked earlier in the week for a statement of the position of the government with

regard to the exercise of jurisdiction over the Roberts Bank development, am I correct in assuming from the statement given in the house yesterday by the minister that the federal government does not propose to make any decision as to its position with regard to this port until the completion of a study which the government expects to receive early in November?

Mr. Hellyer: That is correct, Mr. Speaker. In the meantime we are going ahead with construction in order to facilitate the contract which has been signed between the Kaiser coal company and the Japanese interests and which we feel is important to the people of this country. The National Harbours Board has let contracts for the creation of the necessary port facility and the railways involved have made plans to provide access. Everything is going along pretty well on schedule. As soon as we have this report and the chance to consider how best the port should be administered in the years ahead we will be glad to have further discussions with the province of British Columbia to see if we can reach some mutually satisfactory arrangement.

Mr. Stanfield: In the meantime, Mr. Speaker, is it correct to assume that the government of Canada is leaving it entirely up in the air as to who has jurisdiction over what in connection with the port?

Mr. Hellyer: It is not up in the air at all.

Mr. Speaker: Order, please.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question with respect to the minister's intimation yesterday that certain other ports may be included in a possible study by the transport committee regarding administration. Will the minister give every assurance that this study or assessment will include all ports in Canada under the National Harbours Board? Will he also say whether port officials will be given an opportunity to appear in some way because of their great fears concerning the new transportation concepts that are involved in this whole matter?

Mr. Hellyer: The purpose of this study is to consider the principles of port administration and control. Once the principles have been decided and agreed upon, as I suggested yesterday perhaps by a committee of the house, they can be applied equally to ports in all parts of the country depending on which ones apply best in each individual circumstance.

[Mr. Stanfield.]

Mr. Bell: Will the minister give us an assurance he will cease his activities in the unsuccessful housing task force and get to work on the eastern ports?

Mr. Speaker: Order, please.

THE MINISTRY

INQUIRY AS TO PROPOSED MISSION TO SOUTH AMERICA

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Prime Minister. Could he say when the proposed ministerial mission is to leave for South America, what its duration and purpose will be and what ministers are to participate in this very worth-while venture?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the ministerial mission which is to visit many of the Latin American countries is to leave toward the end of the month. We will announce the names of the ministers who will be on the mission very soon.

Mr. Forrestall: I have a brief supplementary question for the Prime Minister. Can he say now whether any members of parliament will accompany this mission on their excursion?

Mr. Trudeau: No, Mr. Speaker, neither members of parliament nor defeated candidates.

PILOTAGE

INQUIRY AS TO IMPLEMENTATION OF ROYAL COMMISSION REPORT

On the orders of the day:

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has he received the report of the royal commission on pilotage on the great lakes? If so, are any important changes to be made in the administration?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, if my hon. friend is referring to the report of the royal commission on pilotage which covered the entire area, the answer is of course yes. Interim changes in the law are being proposed for consideration at this session, and following further study and communication with the interested parties we hope to introduce substantial amendments.

[*Translation*]

NATIONAL CAPITAL

REPORTED STATEMENT RESPECTING HULL-OTTAWA

On the orders of the day:

Mr. Gaston Isabelle (Hull): Mr. Speaker, I have a question of great urgency to put to the hon. Minister of Forestry and Rural Development.

Can he tell the house whether he stated last night, during a conference given before the members of the Hull Chamber of Commerce, that it was intended to turn Hull into a district of Ottawa, as mentioned today in a headline on page 23 of the Montreal newspaper *La Presse*.

Mr. Speaker: Order. The hon. member knows that he cannot ask such a question with reference to a statement made outside the house.

[*Later:*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to ask the Minister of Forestry and Rural Development if he will soon make to the house a statement about the government's policy with regard to the creation of the national capital.

Hon. Jean Marchand (Minister of Forestry and Rural Development): To the house?

Mr. Asselin: Yes.

Mr. Marchand (Langelier): Mr. Speaker, I am supposed to meet the representatives of the province of Quebec and as soon as an agreement has been reached with the parties concerned—I know that a tripartite committee is to report to the various governments—I will probably be able to make a statement then.

Mr. Asselin: Another supplementary question, Mr. Speaker.

Should we understand that the statement made previously by the minister indicates government policy?

Mr. Marchand (Langelier): Mr. Speaker, the heading of the article reproduced in *La Presse* is completely erroneous, false and misleading.

[*English*]

DOMINION-PROVINCIAL RELATIONS

CHURCHILL, MAN.—NEGOTIATIONS ON DEVELOPMENT OF TOWN SITE

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Prime Minister in relation to the responsibilities of the federal and provincial governments with regard to the development of the town site of Churchill, Manitoba. Could the Prime Minister say what progress if any has taken place in the discussions between the two governments on this subject? I ask this question because on September 13 the Prime Minister said he would do everything to cut down the red tape and expedite this matter.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am not sure whether the hon. member for Churchill or another hon. member asked me several days ago if I had followed up on the meeting with the premier of Manitoba about which I told the house. The answer is yes. Since that meeting with the premier I have written to him making certain suggestions.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO NEGOTIATIONS WITH UNIONS

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have a question for the Secretary of State of which I have given notice. Can the minister report on the steps being taken by the Canadian Broadcasting Corporation in their negotiations with their unions to avert a possible nation-wide strike?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am grateful to the hon. member for giving me notice of that question.

If my information is correct, the report of the conciliation board is to be submitted to the Minister of Labour (Mr. Mackasey) this week. Any comment I could make now would only complicate the situation. The hon. member will no doubt understand my refraining from any comment other than what I have just said.

Inquiries of the Ministry

[*English*]

EXTERNAL AFFAIRS

REPRESENTATIONS FROM RUSSIA RESPECTING ACTION IN CZECHOSLOVAKIA

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The minister will recall that just before his departure to the United Nations he stated, in reply to a question of mine, that whatever representation we received from the U.S.S.R. at the time of their intrusion into Czechoslovakia was in oral form. Would the minister be prepared to table whatever notes were received from the U.S.S.R. through the NATO command, copies of which Canada has received?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I doubt very much that there is anything of that sort on the record. Any communications between the U.S.S.R. and Canada would come to me and would certainly not go through our representative on NATO.

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wonder whether I might ask the government house leader to indicate at this time the nature of the business to come before us for the balance of this week and next week?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. As indicated, tomorrow the house will again be in committee of supply to deal with the estimates of the Department of National Health and Welfare. On Tuesday next at eight o'clock, as hon. members know, the Minister of Finance will be making his budget address. Thereafter the budget debate will be continued the following week, that is, the week of Monday, October 28. Starting Monday of next week, therefore, we will commence with second reading of the Post Office Act and thereafter deal with the Farm Credit Act. The next order of business will be the Prairie Grain Advance Payments Act. The next order of business will be amendments to the Patent and Trade Marks Acts with regard to drugs. When these bills will be called, of course, will depend on the progress made at any particular time.

[Mr. Pelletier.]

Mr. J. H. Horner (Crowfoot): Would the house leader give serious consideration to moving ahead the cash advances legislation which has been unanimously accepted in the house and should receive quick passage either tomorrow or Monday? Perhaps this measure could be moved ahead of the long term credit financing bill which has to have a thorough examination because of the new provisions being implemented.

Mr. Macdonald (Rosedale): I would be glad to discuss with house leaders opposite the possibility of moving legislation ahead rapidly. I should like to have the co-operation of the hon. member on every piece of legislation so we could move ahead quickly.

Mr. Speaker: Orders of the day.

WATER RESOURCES

PEMBINA RIVER—REPORT OF INTERNATIONAL JOINT COMMISSION

On the orders of the day:

Mr. George Muir (Lisgar): I rise on a point of order, Mr. Speaker. For the last three days I have been trying to ask a question of the Minister of Energy, Mines and Resources.

Mr. Speaker: Perhaps we might have unanimous agreement to allow the hon. member to ask the question now.

Some hon. Members: Agreed.

Mr. Muir (Lisgar): I have raised this point of order because the Prime Minister said he would take the question as notice. Can the Minister of Energy, Mines and Resources answer the inquiry I made on Tuesday about whether he has had any consultations with the government of Manitoba with regard to the Pembina river development project as recommended by the International Joint Commission?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I have not had any personal negotiations, although I understand my predecessor discussed the recommendations of the I.J.C. with the government of Manitoba. These discussions have gone on and are still going on at the official level.

OFFICIAL LANGUAGES

PROVISIONS RESPECTING STATUS AND USE—APPOINTMENT OF COMMISSIONER, ETC.

Right Hon. P. E. Trudeau (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting the status of the English and French languages as the official languages of Canada for all purposes of the parliament and government of Canada and respecting the use of those languages in the administration of the affairs of the parliament and government of Canada and the several institutions thereof; to provide, in connection with the administration and operation of the said measure, for the appoinment of a commissioner of official languages and such other officers, employees and advisers as are necessary for the proper conduct of the work of the office of the commissioner, and for the payment of the remuneration and expenses of the commissioner and such other persons; and to provide further for other related or incidental matters.

Motion agreed to and the house went into committee, Mr. Faulkner in the chair.

[*Translation*]

Mr. Trudeau: Mr. Chairman, many of the bills which are placed before the house are concerned with a specific problem, or a single occupation, or one region of the country. The measure now before us, concerning the official languages, is a reflection of the nature of this country as a whole, and of a conscious choice we are making about our future.

Canada is an immense country, but it is not an easy country to know. Even under modern conditions, it is a long and expensive trip from St. John's to Vancouver, or from Windsor to Inuvik. The great differences of geography, history and economics within our country have produced a rich diversity of temperament, viewpoint and culture.

This is easy to state, Mr. Chairman, and it has been repeated in hundreds of patriotic speeches; but without the direct experience which has not been available to most Canadians, it is difficult to appreciate it fully.

The most important example of this diversity is undoubtedly the existence of the two major language groups, both of which are strong enough in numbers and in material and intellectual resources to resist the forces of assimilation. In the past this underlying reality of our country has not been adequately reflected in many of our public institutions.

[*English*]

Much of our political theory and tradition, Mr. Chairman, has been inherited from the major countries of western Europe. It so happens that the majority of these countries are relatively homogeneous in language and culture. It has been practical for many of them to operate on the principle of one state, one language. For Canadian descendants of west Europeans this has often appeared to be the normal situation, subject to a few unimportant exceptions. Even today, it is not unknown for a European statesman to offer advice on the future of this country based on such old world ideas.

Looked at from a contemporary world viewpoint, it is the apparently homogeneous states of western Europe which are the exception. Many eastern European, Asian and African states contain within a single political unit a great variety of languages, religions and cultures. In many of them this diversity is reflected in a federal system of government and in two or more official languages. In the past, multi-cultural states have often resulted from conquest or colonialism. In the modern world, many are based on a conscious appreciation of the facts of history, geography and economics.

This latter case is the case of Canada, a country blessed with more prosperity and political stability than most other countries, and where we are making our choices methodically and democratically. In all parts of the country, within both language groups, there are those who call for uniformity. It will be simpler and cheaper, they argue. In the case of the French minority, isolation is prescribed as necessary for survival. We must never underestimate the strength or the durability of these appeals to profound human emotions. But surely these arguments are based on fear, on a narrow view of human nature, and on a defeatist appraisal of our capacity to adapt our society and its institutions to the demands of its citizens. Those who argue for separation, in whatever form, are prisoners of past injustice, blind to the possibilities of the future.

We in this house, we who have chosen to sit in the federal parliament, have rejected this view of our country. We believe in two official languages and in a pluralist society, not merely as a political necessity but as an enrichment. We want to live in a country in which French Canadians can choose to live among English Canadians and English Canadians can choose to live among French Canadians without abandoning their cultural heritage.

Those of us who have some experience of the difficulties and opportunities of this course are conscious of the risk. But we are convinced that, as a country and as individuals, we must take it. French Canada can survive not by turning in on itself but by reaching out to claim its full share of every aspect of Canadian life. English Canada ought to attempt to understand this, and I believe it is doing so to an increasing degree. English Canada should not of course, attempt to absorb French Canada. All Canadians should capitalize on the advantages of living in a country which has learned to speak in two great world languages.

• (4:10 p.m.)

Such a country will be able to make full use of the skills and energy of all its citizens. Such a country will be more interesting, more stimulating and, in many ways, richer than it has ever been. Such a country will be much better equipped to play a useful role in the world of today and tomorrow.

How can we realize these aspirations? We believe that this bill is one step in that direction. It is not the first step, as this house knows, and to place it in context I will mention some other steps which have been taken since the appointment of the royal commission under Mr. Dunton and Mr. Laurendeau in 1963.

A program of language training for federal public servants was started in 1964 and has since been greatly expanded to develop proficiency in both languages in those centres where it is required. The government recognizes that its objectives in this field can only be accomplished progressively and that their fulfilment must not involve any prejudice to the careers of civil servants who are not bilingual and who have devoted many years of their lives to the public service. Nevertheless substantial progress has been made.

About 5,000 hours of language training per day are now available for public servants. I am happy to note that a number of members of this house have been taking advantage of these facilities.

Because we are engaged in a project that, as far as we know, is unique in the world in both size and scope, the rapid growth of this program resulted for a period in serious problems of administration. As the demand for training has far exceeded the capacity of the system, priority has been given to training executive and administrative officers. The government intends to expand the language training resources further over the next four years on a scale sufficient to meet the objectives announced by Mr. Pearson, to which I will refer in a moment. This will require an increase in the number of classrooms from 76 to 133 and an increase in the number of teachers from 175 to 339.

There is no easy way to competence in a second language, but in three and a half years enough such competence has been acquired by many senior officials to permit both English and French speaking participants in conferences and committees to use their mother tongue, confident that they will be understood. We have every assurance from this experience that the objectives of the public service language training program will be reached.

[*Translation*]

On April 6, 1966, Mr. Pearson made a policy announcement in this house on bilingualism in the public service of Canada. He stated then:

> The government "expects that within a reasonable period of years a state of affairs in the public service will be reached whereby: (a) it will be normal practice for oral or written communications within the service to be made in either official language at the option of the person making them . . .
>
> (b) communications with the public will normally be in either language having regard to the person being served".

At that time he announced a number of measures to promote these objectives. I should like to mention the progress to date on three of them.

Firstly, a salary differential has been paid since 1966 to those holding secretarial, stenographic and typist positions in which both languages are required and where both are used.

Secondly, a special program for improving bilingualism among senior executive officers was also begun in 1966.

Under this program each year some twenty English-speaking civil servants with their families spend a year in Quebec City while some ten French-speaking civil servants and their families spend a year in Toronto.

Thirdly, in 1967 reasonable proficiency in the two official languages, or willingness to acquire it through appropriate training at public expense, became an element of merit in the selection of university graduates recruited for administrative trainee positions where the need for bilingualism exists.

At the end of 1967 the Laurendeau-Dunton commission issued the first volume of its report which made a number of important recommendations on language rights. The report stated:

> We take as a guiding principle the recognition of both official languages, in law and in practice, wherever the minority is numerous enough to be viable as a group.

At the constitutional conference held in February of this year, the federal government announced that it accepted the objectives set by the royal commission, that it would take steps to implement the proposals applicable to the federal government, and that it hoped the provinces would implement those requiring provincial action. We also stated:

> The government of Canada will be prepared to help in the implementation of these proposals if we are asked to do so. We will be glad to join the provincial governments in devising the methods by which our assistance could be made most effective.

During the February meeting, Mr. Chairman, the constitutional conference reached the following consensus on language rights:

Firstly, French-speaking Canadians outside of Quebec should have the same rights as English-speaking Canadians in Quebec.

Secondly, each government should take the necessary actions in this field as speedily as possible, in ways most appropriate to its jurisdiction and without diminishing existing rights recognized by law or usage.

Thirdly, the conference established a special committee to examine the report of the Royal Commission on Bilingualism and Biculturalism and other matters relating to language rights and their effective provision in practice, and to consult on methods of implementation, including the nature of possible federal assistance, and on the form and the method of constitutional amendment.

In addition to reaching a consensus on the three points I have just mentioned, Mr. Chairman, that conference also established a continuing committee of officials which met in May, July and September and will meet again next month. Later, to implement as much as possible those recommendations and the measures studied by the officials, there will be another meeting of Prime Minister and premiers, that is to say there will be on December 16 to 18 next a federal-provincial conference on constitutional matters.

[*English*]

Today's resolution describes the official languages bill which will provide for the implementation of those of the royal commission's recommendations which lie within the jurisdiction of parliament. As the resolution indicates, these will include provisions to establish the status of the French and English languages as the official languages of Canada for all purposes of the parliament and government of Canada, and will also provide for the appointment of a commissioner of official languages with the duty of ensuring recognition of the status of the two languages. It sets out for the first time the language rights of citizens in their dealings with parliament, with the federal government and with federal institutions, and the duties of those institutions toward the citizen in matters of language.

We do not claim, Mr. Chairman, that this bill will take care of all of Canada's needs in respect of French and English or other languages. It is important to point out some of the areas to which it does not apply. The bill does not, of course, amend the constitution. I have often stated my belief that such amendment is necessary to guarantee the fundamental language rights of our citizens, and this is one of the subjects which is before the continuing conference on the constitution. It does not affect provincial jurisdiction over the administration of justice, nor can it do so. The bill does not affect any other matter within provincial jurisdiction, nor can it do so. It does contain an enabling provision relating to proceedings in criminal matters, but discretion is left to the courts over its implementation. It does not regulate the internal operations of the government—an important matter, as I have said, and one which has evolved in many ways. There are other statutes and there are policy statements which deal with such matters as internal operations of the government. They also deal with matters having to do with communications between the government and an employee and deal with other areas where the question of bilingualism is a factor in employment.

• (4:20 p.m.)

In drafting this particular bill we have not ignored the practical limitations of manpower and equipment. There are provisions for periods of adaptation, where necessary. The bill does not require every government document to be produced in both languages in certain cases where production in one language does not violate the principle of equality of status.

Finally, in relation to languages other than English or French, the bill does not diminish any rights which Canadians may enjoy by law or custom. It does not, for example, affect the rights of non-French or non-English speaking defendants in criminal proceedings to testify in their own languages and to obtain court interpreters.

[*Translation*]

When this bill is placed before the house, I propose to discuss its objectives and its main provisions in greater detail. I shall say no more about it at this time except to commend it to the earnest attention of honourable members and also of the general public of Canada.

I believe that there will be widespread agreement among members and their constituents in all parts of Canada that this bill is of the greatest importance in promoting national unity.

[*English*]

Mr. Stanfield: Mr. Chairman, as leader of Her Majesty's Loyal Opposition I wish to say that I and my colleagues will vote in favour of this resolution which asks the house to agree, and we do agree, to the presentation of a bill which would officially designate English and French as the official languages of this parliament and of the government. We will also be asked to agree to the appointment of a commissioner of official languages who presumably will be asked to oversee the administration of this act.

Inasmuch as this measure would give further legislative effect, legislative authority, to something that is already a fact in the eastern part of the country at least, we will want to examine the authority that it is proposed to give this commissioner, and his duties. In passing I may say that I hope we are not laying the cornerstone for another expensive exercise in empire building. We will examine with an open mind the provisions made in the bill to implement this aspect of the resolution.

But there are two other, related observations that I think I should make very clear at this time. First, I trust there is a strong determination on the part of the government, and I think we are entitled to have some declaration to this effect at the appropriate time, that nothing in this bill or in any other similar measure will encourage or permit the creation of any new inequalities in Canada.

We are agreed that for reasons of justice and maximum efficiency the government of Canada must be able to operate effectively in both official languages. I hope we are also agreed that it would be unjust to penalize thousands of individuals who have followed careers in the public service, and that in respect of future recruitments it would be detrimental to the maintenance of a talented and effective public service to cut off unilingual Canadians from a career in the public service or restrict their opportunities for promotions.

In this connection I hope the government is well aware of the difficulties encountered by Canadians in most parts of English speaking Canada in learning to use the French language effectively, since very limited opportunities are available to do so. The Prime Minister referred to the efforts being made within the government service. I may say, with respect to officials and politicians as well as others who wish to learn French, that the federal language bureau is very co-operative, helpful and patient. That was my experience.

As the Prime Minister has indicated, the acquisition of a second language is a long, difficult process for most of us. Certainly this resolution is based on a policy that is founded on justice and directed toward effective administration. But it must be administered with equity and realism.

This resolution, preceding what has been called an official languages bill, is part of the much larger question of national unity and of constitutional agreements that will be devised for the future of our country. Within the framework of Canada's constitutional evolution and of the problems we still have to resolve, this resolution can hardly be regarded as a very significant or decisive step. As I have said, it is quite a small part of the over-all question, and from the point of view of the government it is the easiest part. All that is required is the drafting and presentation of a resolution and a bill in this house. It is one of the few aspects of the over-all question that requires only unilateral action by the federal government and the federal parliament.

From the legislative point of view, therefore, it is a simple matter relatively and no test at all of the capacity of the government to further the cause of national unity. The real test of the capacity of this government to further the cause of national unity will be found in the extent to which the government succeeds, by its own leadership and initiative, in achieving a consensus with the provinces

on matters that require joint action or provincial action. So far, I must say, that record is not very encouraging.

After many years a real and positive breakthrough—I am speaking of last winter—was begun at the Confederation of Tomorrow conference and achieved at the federal-provincial conference in Ottawa some nine months ago. As the Prime Minister has reminded us, a consensus was then reached on language rights between the prime minister of the day and the provincial premiers. It is a matter of the greatest regret to me, Mr. Chairman, and to many if not most Canadians, that the spirit and practical progress of that conference have been allowed to dissipate in the months that have intervened. A further meeting between the Prime Minister and the premiers ought to have been held long before this. We have learned today that it has been called for mid-December.

Meanwhile, it appears that there has been a deliberate attempt to keep the public from knowing what is going on with regard to ongoing discussions with respect to constitutional arrangements and, indeed, to discourage public discussion by keeping the subject as far below the surface as possible. I think this is unfortunate and it may even be tragic, because no permanent or satisfactory arrangements can ever be made unless they are founded not only on legal accord among governments—and Lord knows, these are hard enough to obtain—but on a genuine consensus among the people of all parts of Canada. And this consensus among people, among our citizens, can only be achieved by way of full and open discussion by and with the leaders of the government and the people. The people must know what is going on.

• (4:30 p.m.)

I am aware that officials representing the federal government and the various provincial governments have been meeting in the interim. But it is a matter of regret and concern to me that there has been no attempt to inform the public, even partially, on what is taking place.

The Prime Minister told the house recently that the provinces and the federal government had exchanged working papers and that the only agreement was that it would be left to the discretion of each of the parties to the discussion to decide whether to make its own presentation public. This is not good enough. In the absence of any official communiques we have had speculation feeding on rumour, and misunderstanding feeding on speculation. It has been impossible even to obtain information on what subjects are under discussion, what is on the agenda, or what progress is being made. I fully recognize the need for a proper measure of confidentiality in discussions among governments, but the extremes to which this has been carried in the current discussions can only be harmful to the objectives of national unity which we all support and are eager to attain.

Finally, I want to emphasize in the strongest possible way the urgent need to establish a parliamentary committee on constitutional matters. I deplore the fact that an opportunity has not been presented long since for the members of this house to participate in the discussions leading to new constitutional arrangements.

We have had federal-provincial conferences and meetings among officials. For some years, there has been a continuing and prominent discussion in the information media, among academics, labour unions, service clubs, fraternal organizations, professional associations, and business groups. Books have been written. Draft constitutions have been published by the score. That may be a slight exaggeration but at least a number of draft constitutions have been published. It seems that everybody of any importance in the country is already on the record as to the process of constitutional change.

Only the parliament of Canada, the highest institution in our land, the one institution which is responsible to all of Canada, seems officially to have ignored the on-going discussion of constitutional evolution in Canada. While constitutional matters have been accorded primacy in almost every other forum of public discussion in the country, only the parliament of Canada seems to have stood aloof and above the controversy. It is incredible to me how this institution can assert the slightest claim to represent a national consensus or to provide a vital forum for the discussion of the most important issues in the country, and at the same time carry on from day to day and year to year seemingly oblivious of the controversies and the discussions which are engaging public attention outside.

I have raised this issue before, in this house and outside it. My hon. friend from Peace River has urged this course upon the government at least twice during the present session. If this institution has any claim to represent or express the national interest, it should buckle down to a serious

discussion of constitutional matters. That we have let it go so long is a sad commentary on the relevance of this institution to Canadian life today.

I am very happy to indicate our support for the resolution now before the committee.

Mr. Lewis: Mr. Chairman, on behalf of my hon. friends and myself I welcome the resolution which the Prime Minister has introduced and it gives me sincere pleasure to add that I also welcome the words with which he introduced it this afternoon. Naturally we reserve the right to study the provisions in the bill when it comes before us to ensure that the purpose of bringing about linguistic equality is achieved without discrimination and without compulsion, without creating some new injustice.

I want this afternoon, in the few minutes which the rules give me, to deal only with the subject matter of the resolution and to leave some of the other questions which are equally important for later consideration. I look upon the measure which the resolution forecasts in the light both of our country's history and of its future. I regard this measure as redressing a profound oversight which has haunted Canadians for the first century of our existence as a country, an oversight which has harmed harmonious development among the citizens of this nation. I consider it as a step long overdue.

[*Translation*]

I want to repeat, Mr. Chairman, what he said in the house on April 6, 1966, as shown on page 3920 of *Hansard,* and I quote:

—the one who fully understands the history of Canada can have any doubt that one of the deepest and most legitimate grievances suffered by French-speaking Canadians is that they did not feel at home even in their own federal capital.

I also said and I say it again:

—it is to be deeply regretted also that we had to face a grave national crisis before we had the common sense and understanding—

—to introduce bilingualism within the public service and to consider taking the necessary measures to give official status to bilingualism in Canada.

Mr. Chairman, I consider this resolution as:

—the first step in a direction that will lead us toward a true and rewarding unity that will hold the brightest prospects for the future of our country.

[*English*]

Anyone acquainted with Canadian history has learned to know and to regret the fact that it has taken us an entire century to tackle the problem with which this resolution deals. I say this not to seek to lay blame on any person, any party or any institution but merely to recognize that it is important to emphasize to the Canadian people of all languages and origins that this resolution envisages nothing more than a state of affairs which ought to have been realized from the first day of our existence.

I think the most significant facts in this long national travail are those indicated by the Prime Minister, although he referred to them in a different context. That is to say, it took until 1964, the 97th year of confederation, before we considered introducing bilingualism as a reality in the public service. It took until 1966, the 99th year of confederation, to introduce a plan to deal with bilingualism in the civil service. We must remind ourselves too—and I have said this both in this chamber and outside before audiences across the country in both English speaking and French speaking Canada—that neglect of this basic aspect of Canadian history and Canadian life has not been characteristic of English speaking prime ministers alone but has been equally characteristic of prime ministers who were distinguished leaders among French speaking Canadians.

The fact is that justice in this case has been measured out as in most other cases. It did not come with spontaneous generosity but only in response to the despairing cries of those in Canada who have been aggrieved by the injustice. Because it has not come with spontaneous and generous recognition of one by the other, the result has been that prejudice and misunderstanding have developed across Canada which neither this resolution nor the bill will erase.

• (4:40 p.m.)

I say to my fellow Canadians whose mother tongue, like mine, was neither English nor French that this country is a bilingual country, that Canada is a country of mosaic design and is not a melting pot. I say to my fellow Canadians with origins other than English or French that it is precisely because Canada is a bilingual country, and has always been, that communities in Canada with languages and cultures other than English and French have been able to develop within an economic, intellectual and moral concepts much higher than such communities have achieved in any other country in the world.

I emphasize to my fellow Canadians whose origins are other than English or French that

they would not have these rights, this kind of recognition, or the enthusiastic acceptance of their rights in this democratic country were it not for the basic fact that this country is not unilingual, is not unicultural and never has been. The fact is that while this country recognizes two languages and two cultures as official there is opportunity for the recognition of other languages and other cultures as well. The neglect of this basic fact of Canada has resulted in a great sense of insecurity across this country. Citizens who have jobs which until now have been unilingual are afraid they will lose these jobs if bilingualism becomes a requirement. This is a very natural feeling. Citizens who do not understand what we are trying to do are afraid that they will all be made to speak two languages. Many of them are at a stage in life when they do not wish to be forced to do so, and we must make clear that they will not have to.

We must recognize the value of the B and B commission. The other day some members of this house, including a colleague in my own caucus, were critical of this commission. It deserves some criticism even though, as hon. members here know, some members on the commission are good friends of mine. It deserves criticism for having taken so long to do the job. It might have been much better had it only done a part of the job so that it would have been able to do it quickly and easily. The members of the commission deserve some criticism for the delay and, therefore, the huge expense involved.

The important fact in my view, however, is that the B and B commission has served an immensely valuable purpose. It has initiated for the first time a serious dialogue on the question of bilingualism and biculturalism. In some cases this dialogue has served merely to harden already existing prejudices but in most cases it has served the valuable purpose of opening people's eyes and bringing great understanding for the first time in the history of this country. For the first time in the 40-odd years I have lived here there is an atmosphere and climate in English speaking Canada which makes possible the acceptance of the fact that bilingualism is a part of the Canadian mosaic. This is something which, until we had the B and B commission, would not have been possible to expect in many parts of this country. There is, therefore, the greatest hope on this issue.

I should like to state some aspects of a personal and deeply felt credo. I believe that bilingualism is one of the great bulwarks in protecting this country from being completely swallowed by the country to the south of us. It is my duty, of course, to be friendly to our friendly neighbour, at least when I am not dealing with the subject of Viet Nam, but when I listen to radio and watch television in the English language and become somewhat depressed by the amount of "art" we receive through the airwaves from the south I turn to a French language station or a French language channel and realize that this country is blessed because of the fact that we have one language and one culture which cannot be overwhelmed by the powerful voice from the south.

Those who know a little—and I hasten to say I am well aware that I know all too little—about French Canadian writing, music, folk singing, theatre and art, cannot but have profound admiration for this immense contribution to our national life and culture. We are richer because we are bilingual. If we have the imagination and understanding to erase or at least isolate prejudice and bigotry, we can become unique among the democracies of the world.

[*Translation*]

Mr. Chairman, I wish to point out that the fundamental problem of national unity cannot be solved unless we attack it on several fronts at the same time. Attaining linguistic equality in the federal field is the first step. Then, it is hoped that English-speaking provinces will create, as quickly as possible, a linguistic and cultural climate which will allow French Canadians to feel at home everywhere in Canada. Above all, it is hoped that the responsible authorities in Quebec will not allow the erosion of the privileges and rights enjoyed by English-speaking citizens in that province since the inception of our federation.

I should also like to point out that, to my mind, one of our most serious problems stems from the social and economic disparity to be found everywhere to some extent. Governments at all levels, and especially at the federal level, have the urgent duty of implementing such legislation and programs as will eliminate the regional disparities that undermine the integrity of Canada and threaten its unity.

[*English*]

I wish to emphasize that it is a dangerous illusion to think that this resolution and the bill which will follow are the most important aspects of the problem of Canadian unity,

important though they are. Even more important is the problem of poverty and of economic and social inequality across this country. It is the continuation of inequality and poverty that creates a real threat to our future. It is a well established sociological fact that nothing so much as economic and social insecurity produces deep prejudice which expresses itself in language and in social and racial disorder.

In conclusion I should also like to say, without belittling the importance of the commissioner that the resolution forecasts, that perhaps more important than a commissioner to supervise the implementation of the official languages act is a program of education across the country for the acceptance of the principles and objectives of this legislation. I have always thought that the threat of separatism in Canada, both in English speaking Canada and French speaking Canada, whatever aspect it takes, is not that separatism will succeed in any part of the country because I am absolutely confident that it will fail in Quebec or anywhere else that it is proposed. I hope and believe with all my heart that my confidence is justified. The threat of separatist influence is much greater because of the disunity it creates, because of the evil reactions it produces in every part of the country, because of the prejudice on which it feeds and because of the roorback and backlash it almost always produces.

• (4:50 p.m.)

I suggest that all of us in the federal parliament, perhaps more than in any other legislature in this country, have a duty to explain the objectives of recognizing bilingualism as a fact to the people of this country. We must do this with patience and with profound sincerity, and we must proceed to the necessary constitutional changes and the elimination of inequality and poverty in this land so that Canada can realize the tremendous, almost unimaginable greatness of which it is capable.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Matte: Mr. Chairman, with your permission, at the outset I should like to relate a small incident which happened this morning and which will acquaint the house with the tremendous task which we have to perform if we want to achieve the purpose explained to us earlier by the Prime Minister.

This morning, three members of our group were on their way to parliament; we were stopped by an Ottawa police officer and once again we had to put up with the pertness of this strictly English-speaking police officer who treated us in an absolutely unacceptable manner in the capital of a so-called bilingual country.

At the outset, I will therefore refer to the B.N.A. Act, because I still fear that this resolution which we are now studying will not bring a great deal. That is why the environment must be such that we can really operate a change in this country. In section 133 of the B.N.A. Act, it is stated in two paragraphs that the parliament of Canada and the Quebec parliament are bilingual.

It is a well-known fact that those principles have been applied to their full extent in the province of Quebec. On the other hand, I do not intend to relate, at this stage, all the struggles that had to be fought to get tangible and concrete results. Allow me simply to point out that we have witnessed some kind of resurgence of the French fact in this house, more especially when the Créditistes from Quebec made their entry.

Some hon. Members: Hear, hear.

Mr. Matte: I think we must congratulate that political group for having brought to this house more French than used to be spoken. They deserve all the credit, and I think we should express to them our most heartfelt congratulations.

The British North America Act is too often considered as something sacred that cannot be changed. We should be less strict in this connection and bear in mind that the act—I am not sure whether everybody is aware of that —officially, is a unilingual English act. The French part of this act is not official. We can already see the problem facing us. We also know that bill passed in the London parliament—I am still referring to the British North America Act—was passed at an extraordinary pace, because there was a more important bill to be disposed of, namely a bill dealing with rules concerning dogs.

Therefore, we should consider the resolution now before us having in mind that this time it should bring a real hope of deep and concrete change. It is even unfortunate, as pointed out by the honourable member who spoke before me, that we should have waited so long to legislate on this matter and I am afraid that, once again, people in the province of Quebec will say, too little and too late, especially on account of a limitation, and I quote:

That it is expedient to introduce a measure respecting the status of the English and French languages as the official languages of Canada for

all purposes of the Parliament and Government of Canada and respecting the use of those languages in the administration of the affairs of the Parliament and Government of Canada and the several institutions thereof;—

I wonder why there is that limitation

—and the several institutions thereof—

The situation in Canada at present was reported to us in a rather realistic way, I think, in the report of the Royal Commission on Bilingualism and Biculturalism.

A crisis exists in Canada and I will refer to Book I of the Laurendeau-Dunton commission, where the existence of such a crisis was conceded. I quote:

Canada, without being fully conscious of the fact, is passing through the greatest crisis in its history.

The term "crisis" which we employed at that time shocked many Canadians. Some associated it with only the more superficial manifestations of social unrest. For others, who were unaware of the nature and extent of Quebec's dissatisfactions, it was an exaggeration. It was our conviction, however, that the problem was deep seated, and that in the gravest sense of the term Canada was facing a national crisis "a time when decisions must be taken and developments must occur leading either to its break-up, or to a new set of conditions for its future existence".

And this paragraph concludes:

This is still the situation.

Therefore, English Canada should not keep on turning a deaf ear.

• (5:00 p.m.)

We must examine the real problem calmly and frankly, once and for all. My remarks are based on the report of the Royal Commission on Bilingualism and Biculturalism. Bilingualism seems to operate in one direction only; according to the 1961 census, 1.5 million French Canadians are bilingual as against only 300,000 English Canadians.

This reminds me of certain definitions often heard in Quebec, and particularly in my region, where they say: a multilingual person is one who speaks several languages; a bilingual person is one who speaks two languages; and a unilingual person is someone who speaks English. This definition shows the atmosphere which exists in the province of Quebec.

For instance, the Laurendeau-Dunton report mentions and I quote:

Naturally, a bilingual institution, province, or country can function efficiently only if there is a sufficient number of bilingual people to maintain contact between the two language groups.

We find that it is a situation which unfortunately prevailed and which seems to be going on at the present time. We see that bilingualism is a one-way street. Further on, they say:

It is not surprising then that any community which is governed through the medium of a language other than its own has usually felt itself to some extent disenfranchised and that this feeling has always been a potential focus for the political agitation.

Therefore, we can see that the problem with which we are dealing at the present time is the most important problem in Canada, and that is why we ought to consider the situation in concrete terms, when dealing with a bill such as is proposed to us now.

This situation results from disparities, from the fact that our own mother tongue is losing ground in Quebec and again I shall now quote another part of the report:

We have deliberately outlined this ideal in absolute terms, which some people will consider over-simplified, in order to emphasize the great lag which separates the cultural groups. The members of a privileged group living under almost perfect conditions are tempted to take this situation for granted and not to stop to consider what others are missing. Members of the underprivileged group may reach a greater or lesser degree of alienation, and so become unaware of their cultural underdevelopment or of the hybrid nature of their culture, not to mention the inferiority complex which so often inhibits them and makes them feel inadequate.

There are causes for political unrest and it is these real causes that we ought to consider.

The report further adds:

—have unequal opportunities for work. In a plural society, two consequences follow from the dominance of one language: a limited utilization of the potential skills of those who do not know the dominant language perfectly and a disengagement of the other mother tongues from important aspects of social reality. These two consequences may well lead to a third: the unequal development of the various groups' human resources.

These are arguments which explain the situation and I have taken them from the Laurendeau-Dunton report, in order to make it clear that they express the views of the French Canadian people as a whole.

The crisis that Canada is going through in that respect is due to all kinds of situations brought about by various positions being taken.

Let us examine, for example, the situation in the House of Commons itself. There are now only 18 French-speaking members in the opposition. The fact is worth mentioning since, in fact, the Ralliement Créditiste even constitutes the official opposition with regard to Quebeckers.

That being the situation, parliament is almost exclusively English-speaking. I figured it out, and realized that almost 90 per cent of the debates go on in English as against 10 per cent in French. The reason for that situation obviously lies in the fact that the opposition, which usually instigates the debate, has only 18 French-speaking members since, unfortunately, the vast majority of French-speaking members sit on the government side, and that restricts the use of French in the house. That is precisely one of the errors Quebec made in always supporting so intensively the party now in power.

I have already mentioned that about 10 per cent of the discussion go on in French in this house, but yesterday, I learned that in the other place, French was used for only 8 per cent of the proceedings. Such is the situation.

And so, the humble Quebecker, who comes from the backwoods of Quebec or from the riding of Champlain, like me, does not feel completely at home here. The situation all around him explains the political unrest we have to face.

There is also a special crisis in Quebec, where being bilingual means speaking "joual" or "franglais" rather than French and English. We are aware of the situation.

I quote again from the Laurendeau-Dunton report:

> —even a great cultural language, even an international language like French, under certain sociological conditions, can wither away to the point where, for certain groups, it no longer expresses the essentials of contemporary civilization. In such a case the culture itself is in mortal danger; for nobody will maintain that a group still has a living culture, in the full sense of the term, when it is forced to use another language in order to express to itself the realities which make up a large part of its daily life.

Once again, Mr. Chairman, those remarks were made by the Laurendeau-Dunton commission.

That particular crisis in Quebec is a vital matter for the people of Quebec; it is so important, in fact, that, as far as bilingualism is concerned, it must be remembered that "anglicization" in Quebec itself is so prevalent that people do not even notice it. French words are used, yes, but the syntax and the construction of the sentences are English. I am a teacher myself and I have noticed that syntactic anglicism has become quite serious among French-speaking people.

The Quebecers are therefore rather unsure about their future, and the bill which will be considered must not disappoint them. In fact, it should not be another way for the government to deceive the French Canadians much longer.

This was an easy thing for the Liberal party in Quebec. A tradition became established. The choice of a French-speaking Prime Minister was enough; Quebecers heavily supported the party of the Prime Minister. That is how we continue the tradition.

The representations of French Canadians who complain about these hundred years of dissatisfaction should be taken seriously. From the beginning, we have always been submissive, under the French, the English or the Confederative regimes. Now that French Canadians are really anxious to assume their responsibilities, to develop themselves and to bring an appreciable contribution to the whole country, we should definitely do something and that is becoming a most important matter.

Something must be done. In order to prove that the proposed bilingualism is a matter much more complex than the mere fact of speaking two languages, let us just consider the Vancouver incident where after much publicity in the newspapers, it was reported that the French government was donating $5,000, the federal government $6,000 and the British Columbia government, $5,000—I think there was still another contribution—for the establishment of a French nursery school in Vancouver. Those things bore Quebec. Why? Because the incident received much publicity. What happened? The school had scarcely opened that it had to close, for lack of pupils. Therefore, bilingualism must be considered from a different point of view. We must be realistic. It is a fact that Montreal, the national metropolis, is being fiercely anglicized.

• (5:10 p.m.)

The incidents in St. Leonard have simply brought into the open an abnormal situation which existed in a Quebec French-Canadian locality. The intention was to anglicize that locality. It is a matter of fact. We cannot hide from it; these are concrete facts.

Therefore, there is a danger, if the language declines, that we might lose all our own characteristics and, by that very fact, prevent the country from being culturally stronger and richer. One cannot have at the same time two personalities or two styles. That is why it seems to me that we should aim—and it should be the objective of every Canadian—for the full emancipation of the

French language by carrying out the proper principle. If we really seek the development of French Canadians and their real and profitable contribution to our country, mutual help is required in order to promote that emancipation. Efficient means have to be applied so that the French-Canadian people may remain themselves.

Again, in the Laurendeau-Dunton commission we find this: A bilingual country is not one where all the inhabitants necessarily have to speak two languages; rather, it is a country where the principal public and private institutions must provide services in two languages to citizens, the vast majority of whom may very well be unilingual.

I think this is the way we should approach the changes concerning bilingualism or biculturalism. There would be a way to promote the study of French in the whole country thanks to manpower mobility. The mobility of our manpower should be planned in such a way that neither the French-speaking nor the English-speaking Canadian would be isolated so that, as is always advocated in the report, everybody will really feel at home.

As we know, Quebeckers do not want any longer to be recognized in Canada as ordinary shock absorbers against the invasion of American culture. They want to be something else. They want to be themselves as was so often repeated by the head of the Railliement Créditiste. We want to be ourselves and to accept us just because our particular culture is a buffer against the invasion of the American culture is, in 1968, I think, an insult. We want to participate in the progress of the country by giving our best, that is, by staying ourselves.

[*English*]

Mr. Horner: Mr. Chairman, I can hardly let this resolution go by without making some comment in an attempt to place western Canada's position on the record. Of all those who have spoken so far no one has referred to that vast area which plays such an important part in the economic life of Canada. The other day the Prime Minister referred to it as a country. Certainly we in the west consider it a very major part of our country. On looking very closely at this resolution I cannot help but wonder why the Prime Minister feels it is necessary to legislate on this matter and to introduce an act with respect to it. Is it going to be that difficult for the departments of this government to implement what he calls true bilingualism? Will the act spell out what the departments are to do in every phase of their work? If it does, then it will mean that the civil service may be subjected to compulsion. It has always been my belief that it is much easier to get people to accept an idea without attempting to use force.

This resolution and the bill which will follow will undoubtedly place all the western Canada at a disadvantage. When one looks at the percentage of French speaking people in Alberta one sees that approximately only 3.5 per cent claim a working knowledge of that language. In the province of Manitoba, which has quite a large French settlement, less than 7 per cent speak French while 14 per cent speak Ukrainian. In the whole of western Canada including British Columbia only 5 per cent of the population has a working knowledge of the French language.

I make this abundantly clear because in the government today two of the prime concerns of western Canada are in the hands of ministers from the province of Quebec. If this bill is passed and implemented I can foresee that all civil servants will be bilingual. If this happens, in what position will western Canada find itself when only 5 per cent of our population has a working knowledge of French? It will make it very difficult for people from western Canada to acquire jobs in the civil service.

The Prime Minister may well say that people from western Canada who apply for jobs in the civil service will have to learn French. Let me give an illustration of the situation there so far as learning French is concerned. My children go to school in Alberta. Last year my son graduated from grade 12. None of my children had teachers to teach them French at school, and this is still so in that school and in many other parts of western Canada. Before this legislation was prepared surely the Prime Minister and those who share his views should have ensured that an opportunity would be given to people in the whole of Canada to acquire a working knowledge of French.

I have been a member of parliament for 11 years and I realize very well that members of parliament try to direct the policies of the government but in many cases the administration of those policies is carried out by the civil service. Let us envisage a completely bilingual civil service operating and managing the affairs of western Canada. Without a doubt that civil service will be predominantly from regions where the French language is

commonly spoken. So instead of having two cabinet ministers from the province of Quebec managing the affairs of western Canada we will have a whole bureaucracy administering the affairs of an area about which they know very little. If this legislation is carried out to the letter it will deprive western Canadians in our generation of active participation in the administration of their affairs in the federal field. It may be said that I am attempting to make a mountain out of a molehill, but this is the way I see it.

• (5:20 p.m.)

Too often in my daily concerns here in Ottawa I have found civil servants doing their utmost to carry out the wishes of the government in various fields of administration. I have no complaint about this, but they are doing their work without any knowledge of the area they are attempting to administer. In my opinion this measure will have to be handled very carefully. The Prime Minister says he has a majority and can force it on us; we have to accept it. However, as the Leader of the Opposition said, if it is not handled with a great deal of care and some degree of responsibility it could create many injustices.

The previous speaker mentioned the assimilation of the French language. One must bear in mind also that the percentage of people of French origin who can no longer speak the French language has increased in the past number of years. Proof of this statement is found in the 1961 census figures. This measure is an attempt to reverse this natural trend. I am not saying whether the attempt should be made but I am saying this is what has been happening in Canada. Whether the Prime Minister likes it, whether the country likes it, it is a fact. Any time a government legislates against an obvious trend, great care must be used in the administration of that legislation. If care is not used there are bound to be many injustices.

For example, the Prime Minister has stated there will be a continuation of the confederation conference in December. Has he really considered the position of the province of Alberta in so far as a December conference is concerned? The party in power in that province is choosing a new leader and he will have just assumed office when the conference takes place. How can he become familiar with all the duties of his office and participate actively in the confederation conference one week after he has been chosen as leader? It is going to be very difficult.

[Mr. Horner.]

In view of the position taken by the present premier of Alberta at the constitutional conference held a year ago, I would much prefer that the Prime Minister hold the conference in February rather than December. This would give Alberta a far greater chance to accumulate the facts and to ensure an understanding of what the position of the province really is. In my opinion the Prime Minister is not treating Alberta very justly in calling this conference for December. Alberta really spearheaded the objections voiced at the last conference and received mild support from Saskatchewan and British Columbia. The Prime Minister has hurriedly called another conference at the very time the province which objected to some constitutional changes will be at its weakest. This is not a very fair way to carry on the dialogue which has been taking place for a number of years.

I agree with the Leader of the Opposition that this question has been debated by provincial leaders and on television and should be debated in this House of Commons. In my opinion this is a serious step and we must take it very carefully. If this measure is approved it must be administered with a great deal of realism or, I repeat, many injustices may be created rather than problems solved.

Mr. Cullen: Mr. Chairman, I had not intended to speak on this measure because I felt that for the good of Canada this kind of thing would be accepted by all people and by all parties. I was encouraged to hear the comments of the Leader of the Opposition. I was particularly impressed by the remarks of the house leader of the New Democratic party. However, I was frankly disturbed by the comments of the hon. member for Champlain and particularly disturbed by the comments of the hon. member for Crowfoot.

I grew up in a home where the attitude of my parents could, I believe, have resulted in my being called a wasp. My father was an Englishman who hated the French. I do not believe my mother was particularly fond of Roman Catholics. I grew up in the community of Sudbury and played baseball for the Catholic youth organization. After playing in that organization I realized that these other people did not all have horns, nor were they as bad as I had been led to believe. I worked underground with French Canadians, men who spoke nothing but French. Somehow or other we managed to get along.

The opinions expressed by the hon. member for Champlain and the hon. member for

Crowfoot point out, I think, the problems we have in achieving a united Canada today. We do not seem to want to try to see the other fellow's point of view. I am embarrassed by the fact that as a member of the House of Commons I am not fluently bilingual. I hope the member who follows me, no matter to which party he belongs, will be able to stand up in this house and address it in both languages.

I whole-heartedly support this legislation. I recognize there are going to be difficulties. There always will be difficulties when we try something new in this country. For once in my life I am convinced Canada is prepared to put aside all these old prejudices. I understand that the right to use the French language was given to the French speaking people by the Quebec Act, and that is fine with me. All we are doing now is recognizing a fact.

We are not imposing French on anyone. If you speak only English you should go to northern Quebec and find out how much of a stranger you feel. If you have had occasion to go into court in Quebec, as one of the members of the New Democratic party did, and be tried, convicted and fined in a language you do not understand, you will realize what the problem is that we are trying to overcome. It is not going to be done by legislation in the House of Commons. If civil servants in the constituency of Crowfoot speak French and you want to get your unemployment insurance cheque you will have to learn to speak French. I do not see anything wrong with that.

• (5:30 p.m.)

I say that this legislation is one of the steps. Nobody suggests that it is going to answer all of our problems; it simply points the way. Surely this is what we as members of the House of Commons are required to do. When I heard the leaders of all parties speak I understood that this was a bill with which everybody agreed. We all recognize that there will be problems, Mr. Chairman, but for heaven's sake let us do something to put this country on the map.

[*Translation*]

Mr. Caouette: Mr. Chairman, the resolution now before the house is of major importance, since if the government proposes, and I quote:

—to introduce a measure respecting the status of the English and French languages as the official languages of Canada for all purposes of the Parliament and Government of Canada and respecting the use of those languages in the administration of the affairs of the Parliament and Government of Canada and the several institutions thereof; to provide, in connection with the administration and operation of the said measure, for the appointment of a Commissioner of Official Languages—

Mr. Chairman, the hon. member who has just resumed his seat was disturbed by the remarks of my colleague the hon. member for Champlain (Mr. Matte). There is nothing strange in that. The description made a moment ago by the hon. member concerning Sudbury, where he has worked, could well apply to Rouyn-Noranda, my own area, the counterpart of Sudbury, where exactly the same situation prevails. Nevertheless, whatever the situation might be in my constituency or in that of the hon. member, the fact remains that French-speaking people have been treated as poor relatives in the House of Commons of Canada since 1867.

For the last few years, we have had simultaneous interpretation. From the beginning of the present session until now, the bills have been printed in both languages for our benefit. Before, we experienced difficulty even in getting the French translation of the minutes of proceedings and evidence of the committees. We had to refuse concurrence in the reports of the committees to obtain the French text of the said minutes. We have always had to make claims and demands, not by practising discrimination, but by insisting that our rights be respected on an equal basis with those of English-speaking members. We want exactly the same rights, no more and no less.

That is our attitude. We have suffered from discrimination much more than we have discriminated against others. Here, in the Canadian parliament, in our national parliament, people who speak English only and know not a word of French have been hired as guides or as guards at the centre doors. However, Mr. Chairman, I defy any member in this house to prove to me that a single French Canadian has been hired without knowing English. One man had to be bilingual, but the other did not. That is discrimination. I will say it in the province of Quebec, in the western part of the country and in the riding of my hon. friend. That discrimination has made a certain group of citizens in the province of Quebec angry, and they are being criticized. However, nobody gets to the root of the problem, to the reasons which gave rise to those feelings in the province of Quebec and even among the French Canadians of Sarnia. There are French-speaking people in your riding, Mr. Chairman, in that of my hon. friend and even in my own riding. This

does not mean, Mr. Chairman, that this resolution is unjustified, far from it.

Mr. Chairman, I have just received a note suggesting that I repeat my remarks in English. I can do so, if it will please my hon. friend, the member for Sarnia (Mr. Cullen).

"What I just said in French—the simultaneous interpretation into English is good—

[*English*]

Mr. Cullen: Mr. Chairman, may I just say that I have been listening to the hon. member's speech on the simultaneous translation system and that I heard every word.

Mr. Caouette: Very well. Then I will go on in French, Mr. Chairman.

[*Translation*]

An hon. Member: It is not necessary.

Mr. Caouette: So I go on in French. Mr. Chairman, that is not saying that French Canadians are without faults of their own. We have faults too, we are not infallible, we are not angels either, we are human beings like others, and that is why I say it is possible to co-exist, to be united but with respect for one another, not only in a one-way fashion. That means that we must recognize the same rights to the French Canadians that we are prepared to recognize to the English Canadians. This situation exists in the province of Quebec since confederation, since 1867.

In other provinces, we have seen all kinds of troubles; I am thinking of the Manitoba schools, the Ontario schools during Sir Wilfrid Laurier's time who has only deluded French Canadians for 75 years, because people were saying that he had a silver tongue. But, when the problems of the Manitoba schools or the Ontario schools were raised in the house, the silver tongue did not have much to say. Nevertheless, French Canadians have been deluded with Sir Wilfrid. They made a myth of him, almost a religion.

When I was a small boy, my father who was an ardent Liberal,—

Some hon. Members: Hear, hear.

Mr. Caouette: In the living-room at home, Mr. Chairman, since we were Catholics, we had a print of the Sacred Heart and right beside it, Sir Wilfrid Laurier's picture.

Some hon. Members: Hear, hear.

[Mr. Caouette.]

Mr. Caouette: Then, when the time came to say the evening prayers, we were wondering if we should kneel before Sir Wilfrid Laurier or before the Sacred Heart. Both seemed to have the same importance.

• (5:40 p.m.)

Mr. Chairman, the Liberals are aware of the methods used to deceive the French Canadians in the province of Quebec. Mind you, another successful attempt was made during the last election to deceive the French Canadians in saying about the present Prime Minister (Mr. Trudeau): "Look, he is just like Sir Wilfrid Laurier".

Some hon. Members: Hear, hear.

Mr. Caouette: The Prime Minister was flown all over the country in a helicopter. He would land in school yards where the children would look at him and think the Holy Ghost was coming down.

Mr. Chairman, again a great many people of the province of Quebec have been deceived—

Mr. Trudeau: By the Holy Ghost.

Mr. Caouette: This is what was done and it is still going on.

Mr. Chairman, our struggle has been going on for a hundred years. It does not follow that we trying to correct our mistakes but we had qualities as well.

The resolution now before the house is well meant, but an old proverb says: The road to hell is paved with good intentions. From intention to action there is a difference. Since our election to this parliament, in 1962, we have heard about intentions. Since then, we have not been progressing so quickly and intentions are not being materialized too quickly. So, we want to draw to the attention of the Prime Minister and the government the possibility for both languages to be respected fully everywhere.

A while ago, my fellow member for Champlain (Mr. Matte) was reporting a fact which occurred this morning. There were three members in the same automobile coming from Eastview to parliament. Then they arrived to a pedestrian crossing where there is a square road sign on which there is an X meaning stop. The sign says: "Pedestrian Crossing". The member for Portneuf (Mr. Godin) who is not too familiar with English was stopped. I know that the constable who stopped him is not a member of the R.C.M.P., he is an Ottawa

policeman who speaks English only. This is a case where the federal authority is not involved and it must be admitted nevertheless that Ottawa is a national capital of Canada. Ottawa is mostly the home of civil servants whose salary is paid by the English as well as by the French, and by the Ukranians, the Poles, the Chinese and by all those living in Canada. This is how Ottawa is made up.

The policeman speaks only English to my colleague for Portneuf. The latter says: I do not understand English, speak to me in French. The policeman says that he does not speak French and that he must admonish him in English because it is his language. He then motions the member for Portneuf to pull over to the curb, but the latter moves on towards parliament. The policeman keeps after him and stops him a second time.

He was stopped four times from Eastview to Ottawa. When at last the policeman realized that he could not be understood in English, he went to his patrol car radio to call for help. A French-speaking policeman came over. This French-speaking policeman was tall, big enough and husky and furthermore he was ill-mannered. This made two qualities.

An hon. Member: A common occurrence.

Mr. Caouette: Naturally the hon. member for Portneuf was rather insulted because the policeman was talking to him with arrogance. Then he told him: Moreover, you ran away. He asked his name but he did not ask his profession. He did not know he was talking to a member of parliament and he does not know it yet. He may know it when he reads our speeches today and he may then know that the three persons were members of parliament.

In any case, Mr. Chairman, it is unthinkable that, in 1968, a town like Ottawa, which is the national capital—I would not make any comment if it were Toronto—which has many people attached to various federal departments, should have no bilingual street signs. Bilingualism should be everywhere in Ottawa, Mr. Chairman, and its absence is really shameful.

Some hon. Members: Hear, hear.

Mr. Caouette: I know that the mayor of Ottawa, Charlotte Whitton was reluctant to learn French, but the new mayor elected several years ago, does not appear the grasp the situation either. If those people went to Montreal, Quebec City, Chicoutimi or Rouyn-Noranda, they would find that in cities where barely one per cent of the population is English-speaking, there are bilingual signs.

Some hon. Members: Hear, hear.

Mr. Caouette: In Ottawa, the national capital, the mayor says: There is no hurry. And if a bilingual sign is put up on a street corner, some English-speaking separatists splash paint on it.

The same kind of separatists is found in some regions of Quebec. There is no difference but no one wants to understand that, in Quebec, more respect is shown for the freedom of English Canadians than for the freedom of French Canadians in any of the other provinces.

Mr. Chairman, with regard to the resolution which will make English and French the official languages of Canada and the government of Canada, I would like to say that such a policy should have been implemented long ago. Earlier I spoke about the guards who are hired; they are unilingual. The Prime Minister and the Leader of the Opposition (Mr. Stanfield) talked of those who have been working for parliament for 25 years. They should not be discriminated against. I agree. No discrimination must be shown, no one who has been in the service of parliament for 25 years should lose his job because he cannot speak French. That was the practice at that time. However, he should not be replaced by a unilingual person when time comes to replace him. Bilingualism should be a requisite, and to be bilingual, Mr. Chairman, is to speak fluently both languages.

The Prime Minister is thoroughly bilingual, it is a fact. The parliamentary leader of the N.D.P., the hon. member for York South (Mr. Lewis), is truly bilingual I congratulate him for he speaks French very well. We know others. Now as far as the Leader of the Official Opposition is concerned, do not tell me he is bilingual; it is not true, even though he had immersion courses. They nearly immersed him completely. He is not perfectly bilingual. That does not mean that we bear him a grudge for that. But let them stop playing upon words and saying: So-and-so is bilingual. I know that in some departments—I could give names—functions were entrusted to so-called bilingual officials, and when we have to get in touch with them, we find that they cannot hold a conversation in French.

You will not run into that amongst French Canadians in the employ of the federal government, or of the federal parliament because, as I said a while ago, when time comes to hire a fellow by the name of Louis Lamoureux, if he is not perfectly bilingual, he does not get the job. But, if the applicant, even of the very same name, speaks English only, he can have the job. That is discrimination, that is what we object to, especially at the federal level where parliament and the government must use both official languages, or the two languages which are supposed to be official.

• (5:50 p.m.)

Mr. Chairman, in another vein, though some believe or fear that the French language will disappear from Canada or the province of Quebec, I do not. Why? Because I know there are enough French Canadians who are enlightened, experienced and willing to assume their responsibilities and ensure that our tongue is safeguarded, that our culture survives. Of that I am convinced. That our French is not that of Paris, Versailles or Marseille, I agree; but that is not the same thing. One fact remains however: The quality of our oral French, of our written French, has improved considerably in the last 25 or 30 years and we need not go that far back to notice the difference. About thirty years ago, let us say, most of our parents could not get more than 3 or 4 years of schooling. As to our great-grandparents or our grandparents, most of them could neither write nor read and in spite of that the French language has survived in Canada. On my mother's side, my relatives have all settled in southern Saskatchewan, in Ponteix, Gravelbourg, since 1909 and they still speak French. All my relatives on my mother's side have settled there. This means that when you want to survive, you do.

This is what led me yesterday to tell students of Sir George Williams University, in Montreal, that we are only a minority in Canada—we are only 6 million against 20 million—but that every country of the world is also a minority in the world. We are not only living within the limits of Quebec, we are not only living within the limits of Canada, we are living in the whole world.

In this world, every country is a minority. China, the United States, Russia, France and England are minorities. Mr. Chairman, I wish to draw the attention of the house to the following point: a minority composed of

cowards, of people shirking their responsibilities, of notorious good-for-nothing, is doomed to extinction anywhere in the world, because it allows itself to be assimilated.

But a minority made up of strong men, of fiery men, of men, women and young people who have the courage of their convictions, of their identity, who are bold enough to speak out, such a minority, Mr. Chairman, will survive anywhere in the world, in Canada or elsewhere.

Some hon. Members: Hear, hear.

Mr. Caouette: The province of Quebec had one day the visit of a general, who was president of his country and who said: "Long live free Quebec!" That stirred up enthusiasm and excessive emotionalism. Now, I would like to quote from the Canadian History by Robert Lacour-Gayet, where is related the history of Canada in 1855. From it, it can be seen that history repeats itself, that it is always the same thing, that the same events crop up every 30 or 35 years, and that after a century, the same things happen.

Here is what he says about the history of Canada:

Napoleon III was not the kind of man to disregard the vague possibilities Canada had to offer for the realization of his dreams.

Napoleon III was French.

—It was decided that a warship would be sent. Flying Commander de Belvèze's colours, the corvette *La Capricieuse*—

—today, we would say the *Colbert*—

—reached Quebec city on July 13, 1855, a few weeks after the opening, in Paris, of the lower Canada pavilion.

Lower Canada's building or that of Quebec, in Paris, at that time, in 1855, that is to say 113 years ago.

—at the World's Fair. This was the first time since 1760—

That is one hundred years later.

—that the French flag was flying over the St. Lawrence. The imperial government had made a point of specifying that this mission had a strictly commercial purpose; however instructions given to its head disclose more complex intentions. Belvèze was "to re-establish our influence—

French influence, that is.

—in the colony which still had strong feelings of friendship for France, to avoid hurting the susceptibilities of the English, to develop our trade agreements."

This was in 1865. Is not the same thing happening again nowadays, in 1968.

> Is it any wonder that when he was entrusted with those rather irreconciliable tasks he was enjoined to "show himself of a superior mind . . ."
>
> It seems that the first class sailor forgot rather quickly the official niceties. Besides there was something to lose one's head about judging from the accounts he left of his trip: "I am back from Canada where I made the most fantastic journey that can be told. Imagine the flag of France reappearing after a hundred years—

Today it is after 200 or 300 years.

> —and finding, dormant in people's hearts, the memory of the old mother country and love for it and that strong feeling bursting forth everywhere, even among the English population which, thanks to the alliance, cheered wildly the arrival of the representative of the "powerful ally of Her Gracious Majesty". That is how they speak about your humble friend. Thus I have travelled like a prince along eight hundred miles of rivers, lakes, railways, riding under countless triumphal arches, finding people waiting for me night and day at the gates of their towns with a formal address in their hands and I, poor devil, had to acknowledge all that with flowery speeches and later spin them out at pleasure at banquets, toasts, etc. How much eloquence I expended during those three weeks."

Mr. Chairman—

[*English*]

The Chairman: I am sorry to interrupt the hon. member but his time has expired. Does the committee give unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

[*Translation*]

Mr. Caouette: Thank you, Mr. Chairman and I am grateful to my fellow members—

Mr. Knowles (Winnipeg North Centre): Vous êtes formidable.

Mr. Caouette: Thank you. The hon. member for Winnipeg North Centre speaks French very well.

Mr. Knowles (Winnipeg North Centre): Merci, vous êtes très gentil.

Mr. Caouette: He has just said that I am great.

Mr. Chairman, I will not abuse of this courtesy extended to me by my fellow members.

I would like, however, to remind the house that history is being repeated. Considering general de Gaulle's visit and the events of 1855, we have an identical situation.

It does not follow that others who came visiting Canada have behaved themselves better. This is the same thing for them. This is why I have said in this house and elsewhere that I will not tolerate an unimportant France to tell us what to do, nor for that matter an unimportant England. We, as Canadians, have enough maturity to decide, on our own, what our fate will be as Canadians, English-speaking as well as French-speaking.

Some hon. Members: Hear, hear.

Mr. Caouette: That, to my mind, is what counts. Back home, some people may cling to France. Alas, some also cling to England.

Those Canadians whose hearts are overseas and whose bodies only are in Canada, do not help Canadian national unity. Let the hearts join the bodies here in Canada.

Mr. Chairman, I shall close my remarks saying that the resolution now before us offers possibilities not only for the rights of one group to be better respected but for the rights of all Canadians.

Even though my friend for Sarnia was upset by the remarks of the member from Champlain, he should understand what the situation has been in Quebec for a long time, far too long. In Quebec—the member is aware of it—our English-speaking minority was treated exactly in the same way as the majority. Everyone must recognize that. Until recently, we had no problems with our schools. For the English-speaking people to have their children educated in their mother tongue or the tongue of their choice, English, was never a problem. There were no problems. In my area, there are no problems either, but there are some elsewhere.

Now, there are some people who have been saying for some time that in Quebec the French language should come first. I believe that parliament as a whole or all the members will accept the fact that in Quebec, where there are from five and a half to six million Canadians of French origin, the French language should have the same priority as the English language in Ontario, without the English speaking people being discriminated against.

If in Ontario somebody suggested that French should be the working language, that we should start teaching everybody in French he would not find himself too popular. People would say that the working language here in Ontario is the English language, just like in Alberta, in British Columbia and in most other provinces. Therefore in Quebec, let us require the same. Let the French language have a prior right. There is nothing wrong

with that, but on the other hand minorities must be respected.

Mr. Chairman, once again, I should like to thank my colleagues for the opportunity that was given to me to conclude my remarks and I am convinced that when the bill is introduced, we shall at last be able to establish in Canada a national policy giving equal, fair and just treatment to the French and English languages.

[*English*]

The Chairman: Before calling it six o'clock may I read the proceedings which will arise at ten o'clock.

The hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Pensions—suggested use of cost of living base; the hon. member for Cape Breton-East Richmond (Mr. MacInnis)—Post Office Department—Canadian editions of United States magazines; the hon. member for Winnipeg North Centre (Mr. Knowles)—Post Office Department—representations respecting withdrawal of Saturday service.

Before I leave the chair may I say that in accordance with section 4 of standing order 15 private members' business will not be considered at this sitting. It being six o'clock I do now leave the chair—

Mr. Bell: Mr. Chairman, are there any more speakers on the resolution?

The Chairman: I believe I saw the hon. member for South Western Nova.

Mr. Bell: I believe that on second thought he might forgo his comments until the second reading stage.

Mr. Knowles (Winnipeg North Centre): I believe the hon. member for Selkirk would like to say a few words.

The Chairman: It being six o'clock I do now leave the chair to resume at eight o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Schreyer: Mr. Chairman, like the hon. member for Crowfoot who spoke earlier in this debate, I too come from western Canada. Unlike that hon. member, however, I do not find it necessary to oppose this resolution, nor do I wish to. I find the resolution easy to support in spirit, intent and in purpose. I find it laudable. The only thing I would add is that what we are being asked to do by this resolution we should have done years ago. Perhaps if we had done this the advocates of separatism would not have gained as much momentum as they enjoy at the present time.

In a sense however we are deluding ourselves if we think there is much substance to this resolution. As I understand it there are four features. The first calls for parity of status for the French and English languages in parliament, the government of Canada and the public service. This simply asks us to give statutory confirmation to something which is already in effect, or which is fast becoming the practice in this country. There is nothing wrong with this, but there is nothing very substantive about it, either.

The other two features of the four which I see in this resolution call for the establishment of an office of a commissioner of official languages, who would act as a sort of watchdog or czar of official languages. It is pretty difficult to comment on this proposal until we have a clearly defined and elaborated description of the duties and responsibilities this servant shall exercise. The fourth feature is to provide further for other related or incidental matters. Obviously one cannot comment on that at this time. Again we will have to wait until the details are before us.

What we are doing in this measure by way of helping to solve the problem of language rights in this country is really of little or no substance. There is nothing very tangible in the resolution. For whatever it is worth, the spirit and the intent is praiseworthy and I have no problem supporting it.

I have had in mind the intent embodied in the resolution for many years. Since 1958 I have had the honour of representing the people of eastern Manitoba both here and in the legislature of that province. At least on two occasions I have had the opportunity to speak in the legislature on the question of language rights and the rights of French-speaking citizens in Canada and in that province. I should like to quote one or two paragraphs of my observations which directly relate to this subject matter, as they are reported in the Manitoba legislature's *Hansard* of May 11, 1965:

> I'm a Manitoban, but I consider myself first a Canadian. It surely must distress members here to see the prolonged disenchantment and dissatisfaction on the part of many people in our country —and with some justification I must say—because many of them have come to the opinion if not the conclusion, at least the opinion, that many of their rights which they thought they enjoyed under

the constitution seemed to be vaporizing, seemed to be of insufficient substance. I'm referring to the French Canadians, particularly in Quebec, but outside Quebec as well. There is little doubt that the B.N.A. Act and other parts of our constitution, did provide certain fundamental guarantees of minority rights back in 1867. The rights may not have been openly broached or abrogated but in the interval between then and now, the rights of French Canadians in our country have seemed to become reduced slightly year by year. And we must not think of the minority right provision of the B.N.A. Act as applying only to the French Canadians in Quebec. They are, I am convinced, that the spirit of the B.N.A. Act in those regards, with regard to section 93 and 133, are intended to apply to the minority all across Canada.

Let me say in parentheses that these observations were made in reference to a bill which embodied a principle, supported by a member of the Liberal party in the legislature of Manitoba at that time, calling for the government of that province to extend the right of French instruction in the schools of Manitoba. It is in that connection I make these comments. To continue, the quotation, I said:

I believe that this bill is seeking simply to restore a right that was once enjoyed here in this province, but which was, for whatever reasons which we needn't go into now, abrogated and taken away back in 1888, and 1890. I believe that that action was wrong and I think that now in 1965 it is not too late to show that, no matter how long the lapse of time, we are prepared to restore at least some of this right once taken away.

Let me digress briefly to refer to the overall problem of language rights in this country. Surely it must be conceded that there is something substantial to be done at the federal level. This has been the case in the past few years, and now we are going to do something in statutory form. Some of the measures we have adopted in the past few years relate to the greater problem of language rights in this country, and can be dealt with only as a result of provincial action. Several provinces hold the key to the realization in Canada in the next few years of equality in language rights, so far as the status of the two official languages is concerned.

Some people may have the impression that some western provinces are out of date, or that they are recalcitrant or stubborn in taking action of the type needed. I do not share that view. About two years ago in the province of Manitoba the majority of the legislators voted in favour of legislation restoring to French speaking Canadians in that province the right to use French as a language of instruction in their schools. So in the past two years this has become a reality. Approximately 5,000 students of French speaking families in that province are using the French language as a language of instruction in their schools for a significant part of the day. It is no longer a case in which French is simply taught as a subject unto itself; it is now possible under the law to use it as a language of instruction to teach other subjects.

• (8:10 p.m.)

The same is true of Alberta. It is my understanding that in Alberta approximately 5,500 students are attending schools in which they are able to use French as a language of instruction for other subjects during a significant part of the day. The same is true of Saskatchewan. This is a development of the past two to three years, and is a matter of great importance. This being so, it does give plausibility to those who argue that one case of grievance the separatists may have felt they had a few years ago is being removed, and removed quickly. This does not mean that more should not be done. I hasten to add that in Manitoba, in every district in which French speaking families form a significant proportion of the population, 10 per cent or more, it is now possible under the law to use French as a language of instruction; and what is more important, it is already being done. It is also being done in our two sister prairie provinces of Saskatchewan and Alberta. Therefore, it seems to me there is reason to be less pessimistic as to what the provinces of western Canada would be prepared to do, so far as concerns making their contribution toward solving the problem of language rights in this country.

Unfortunately I do not have any accurate, hard information as to the situation in British Columbia, but I thought it was most significant that I should relate what has transpired in the prairie provinces since 1966. That, coupled with the efforts that have been made at the federal level to promote bilingualism in the civil service, in cabinet circles and among parliamentarians, would seem to indicate that we are moving in a substantial and meaningful way toward dealing effectively with this problem of language rights, and dealing effectively with the problem of the feeling of alienation on the part of the French speaking minority, which one must assume, many felt over the decades and until recently.

I hope that in the last few years everyone can see that progress has been made, wrongs have been righted and grievances have been redressed. Even though I am from the province of Manitoba I have never at any time stated that the action taken by that province

back in 1890 and in 1916 was right. I have on every occasion said it was wrong in a most fundamental way.

There is one other aspect of this subject of language rights to which I should like to refer, and which is not contained within the resolution. I refer to a statement, made by our Prime Minister when as a candidate he was in Winnipeg last March, as reported in an article which appeared in the Toronto *Daily Star*. The same article appeared in the Winnipeg *Free Press*. It is datelined March 11, 1968 and is captioned, "Trudeau sees 4 official tongues if French given recognition". We know that sometimes headlines are written in haste and are misleading, so I go on to the body of the article, which reads in part as follows:

Justice Minister Pierre Elliott Trudeau—

Bear in mind that this was six months ago.

—said last night Canada may one day have a third and even fourth official language in addition to English and French.

I take it that so far this is accurate.

Trudeau, 46—

Perhaps that is not so accurate.

Some hon. Members: Oh, oh.

Mr. Schreyer: The article continues:

Trudeau, 46, who becomes prime minister . . . said official status should be granted any language spoken by a sufficient number of people.

The justice minister . . . was addressing about 600 Liberals including representatives of Winnipeg's Ukrainian and other large ethnic minorities.

Trudeau rejected the common notion that French deserves official recognition in Canada because the French were one of the "two founding groups" which built the country . . .

The only justification for having French as official language was that French Canadians made up one third of the population, he added.

And to which I add: So this is what it comes down to. Language rights are to be based not on the spirit of confederation but on sheer numbers, and their ratios. I quote again:

"I would even be prepared to say that if in the immediate future or the far future a third important group speaking a third language . . . wanted to use their language to communicate with the state, this third language will have to be recognized."

Finally:

He said a fourth official language was also conceivable although "you can't go on for ever." But Switzerland, he pointed out, functioned with four languages.

I am glad the right hon. Prime Minister, then minister of justice, took the opportunity to touch on what is to me an important enough problem when he was making this address to a gathering in Winnipeg six months ago. As hon. members well know, when the royal commission on bilingualism and biculturalism handed down its interim report there was an addendum attached thereto written by Professor Rudnyckyj of the University of Manitoba. I do not concur entirely with the recommendations of Professor Rudnyckyj as contained in that addendum, but I sincerely believe that, although it may not be practical to extend an official status to other languages, nevertheless it is desirable, since we are talking about the desirability of having and maintaining in Canada a pluralistic society, to aid through the instrumentality of the state, federal or provincial, the sustenance of the other languages. It is not enough to pay lipservice to it, on the one hand; it is not necessary to go so far as giving official status, on the other hand. But somewhere in the middle is the happy, golden medium.

I hope that between now and two or three years hence members of the cabinet, the public service and their advisers will give serious consideration to the extension of some measure of material support to schools in which the other languages spoken in this country can be used as languages of instruction for at least certain periods of the day; and with the advent of E.T.V. this becomes a practicality.

Inferring from what the right hon. Prime Minister said at this public meeting six months ago, it would seem he is prepared—I hope he is willing to try to persuade his colleagues about this—that consideration should be given to declaring a third, fourth and possibly a fifth language as official languages in this country. If he is prepared to go to that extent, I would plead with him at least to give consideration to ways and means in which these other languages could be materially supported by assistance through the schools.

• (8:20 p.m.)

I know some hon. members will say that since education is entirely under the jurisdiction of the provinces it should not concern us here in the federal parliament. At the same time I agree with some of the statements made by other hon. members of that party, particularly with what was said by the former member for Kamloops a year and a half or two years ago, to the effect that we should be doing more to provide more French language schools in this country outside the

province of Quebec, and that if we are going to tackle this task, specific financial assistance should be provided for this purpose by the federal government.

It is a sentiment and a point of view with which I agree. It seems to me that the same concept could be applied with respect to the provision of assistance to schools using other languages of instruction for a few hours each day. Such schools could and should exist in every district where an ethnic group is of significant size.

I know that since we are asked to consider here a matter more specific than that, having to do with the appointment of a commissioner of official languages and with trying to achieve a parity of status for the two languages in the public service, many hon. members will not give much consideration to what has been stated in the addendum to the B and B report by Professor Rudnyckyj. But it is a matter which in all fairness must be seriously considered soon. I do not want to start naming the other ethnic groups which form a sizeable proportion of the population of this country; but in western Canada, in Toronto and in Montreal it would be correct to say that there are ethnic groups which form a proportion of district populations that is in excess of 10 or 20 per cent. It is in such circumstances that we should seriously consider doing something to assist in the maintenance of the language of these groups. I know that the hon. member for Témiscamingue said earlier today—

The Deputy Chairman: Order. I hesitate to interrupt the hon. member but the time allotted to him has expired.

Mr. Schreyer: Mr. Chairman, if I could have another two minutes I could complete my statement.

The Deputy Chairman: Is it the pleasure of the committee to allow the hon. member more time?

Some hon. Members: Agreed.

Mr. Schreyer: Thank you, Mr. Chairman. I was going to refer to the remarks which the hon. member for Témiscamingue made earlier this day, most of which I agreed with and felt moved by. There is one comment he made, however, which is rather difficult to accept completely, and that is his reference to the fact that it is only those minority groups that are courageous and have a will and determination that are able to maintain their culture and their language in perpetuity. Of course one can find evidence of that in the pages of our history books. But I think it also needs to be said that no matter how courageous and determined a minority group might be, if they simply do not have the organized opportunity and the institutions in which to maintain their language it is only a matter of time before their cultural heritage or distinctiveness will begin to disappear. In our time an ethnic group that depends on home and parish is likely to see its language slowly disappear.

If we really mean what we say, that it is good for Canada to have a pluralistic society and to have a multiplicity of ethnic groups, each with its own distinctive culture to contribute to the whole, then we will want to give consideration to the possibility, not of giving an official status—no one is really asking for that except perhaps for the Prime Minister and a few others—but to doing something concrete to enable schools to provide the teachers, to provide the audio-visual aids and books which would make it possible to teach the various ethnic languages, and to amend the law in the several provinces so that it will be possible to use those languages as languages of instruction in the schools for at least part of the day.

[*Translation*]

Mr. Dumont: Mr. Chairman, I wish first to congratulate the right hon. Prime Minister (Mr. Trudeau) for having tabled this bill, a resolution which will eventually lead to official recognition of both English and French. If two official languages were recognized in Canada if they were adopted, we would come still closer to our ideal of justice and this country could retain its present stature.

We, the Ralliement créditiste, who have become the official opposition of Quebec, say that Canada will endure, if such legislation were enacted.

I shall add my comments to those of the previous speaker who called for a pluralist country; I cannot imagine myself in a Canada, where in addition to French and English, we would have to learn Chinese, Russian, Spanish and maybe ten more languages. We are instead, and everybody likes to say so, a country where bilingualism should be recognized. However, there is the very real danger presented by separatists. Where are those separatists to be found?

I have here an article entitled: "*Le bilinguisme, mais à quel prix*" which appeared in

the October 3, 1968 edition of *Le Droit* and which I shall now quote:

From its ivory tower, the Professional Institute of the public service of Canada is casting doubt on the value of the bilingual policy implemented by the former prime minister, Mr. Lester B. Pearson, and followed by his successor, Mr. Pierre Elliott Trudeau.

According to the Institute, bilingualism in the public service is extremely costly. This gratuitous statement is to be found in an article signed by the general director, Mr. L.W.C.S. Barnes, and entitled "Bilingualism—but at what cost?" That is not the only statement of that kind: the three paragraphs which he devotes to this topic are full of allegations of that sort.

Either Mr. Barnes is not familiar with functionarism in Ottawa, or he is very naive... we have just started to make things better. The bilingual government employee has always had to work twice as much, because his fellow worker was usually unilingual.

The rash remarks of Mr. Barnes will cast a shadow on the honesty of his unionized colleagues, bilingual as well as unilingual, in the government and the public service.

The article is signed by Mr. Louis Rocque.

• (8:30 p.m.)

Mr. Chairman, after hearing the speech made this afternoon by the hon. member for Crowfoot (Mr. Horner), I dare hope that he is not the spokesman of all Conservatives because, in my opinion, he is one of those die-hard separatists who can prevent Canada from rising to the occasion as we all expect it to do. Here is the answer the Minister of Justice (Mr. Turner) gave our leader and I quote from an article published on October 17 in *La Presse* under the heading:

Canada needs London to provide an official translation of the constitution (John Turner)

Only the government of the United Kingdom can authorize the publication of an official French version of the British North America Act.

That specific information was given yesterday by the Minister of Justice, Mr. John Turner, in answer to a question put on the order paper of the House of Commons by the leader of the Ralliement Créditiste, Mr. Réal Caouette, who wanted to know when the Canadian government would publish a French version of the BNA Act.

While there is in use in Canada a generally recognized and accepted official translation of the British North America Act passed by the Parliament of the United Kingdom in 1867, an official French version of the original Act of 1867 could, under the present constitution of Canada, only be provided by formal legislative action on the part of the Parliament of the United Kingdom.

If the Minister of Justice is still the spokesman of the Liberals in that field, I say that in spite of his authority within the cabinet, he must see to it that this situation is corrected immediately.

Canada has weathered in the past other less severe crises which brought to light very different points of view between French-speaking and English-speaking Canadians. It has been found that the memory of that event is still very fresh. Thus after each conflict, no matter how it was settled, both parties have come out of it with a feeling of injustice. Canada was born of the conflicts between its two founding peoples and the imposing by the white man of his culture on its indigenous peoples, the Indians and the Eskimos. From the point of view of the Indian, the French and the English hold the same right of property through the conquest. Quebec tends to think of the French as the colonizers and of the English as the invaders.

As we have already pointed out, those ancient wars have not ceased to influence the present behaviour on the one side as well as on the other. The young people who destroy monuments in Quebec want history to be rewritten, at least taking the future into consideration. The English Canadian, when he recalls former times, usually wishes to restore the monument and thus symbolize a return to the *status quo*; or else, he still has in mind, above all, the achievement of a representative government, then of a responsible government and the other constitutional victories which shaped the Canada of today. He wants Canada to be and remain a "nation", to give its citizens the possibility of achieving what will enable them to hold a high rank amongst the nations. To the French, Lord Durham was the great assimilator, to the English, he was the great decolonizer.

We are well aware of the conflicts since confederation. Still, the two partners see them in an entirely different light. Riel, the murderer, was hanged; Riel, the defender of the rights of the minorities, was the victim of a judicial murder. A federal parliament, predominantly English, gave Manitoba at the time of its foundation two official languages and separate schools.

The Manitobans themselves revoked those rights and when the government in office in Ottawa suggested that the situation be restored with regard to schools despite the opposition of that province, the Quebec population gave a majority vote to Laurier, who had refused to resort to compulsion. In the eyes of Quebecers, the Manitoba experience shows that "the English" are unreliable wherever they are, and that at critical moments, the majority is always triumphant.

Regulation 17 enacted in 1913 in Ontario which severely restricted the use of French as a teaching language in separate schools, was repealed later by another Ontario government; but that change in attitude did little

to dispel the animosity generated by the enactment of the regulation.

The 1917 and 1942 conscriptions appear to many English Canadians as a necessity for a country engaged in crucial wars until victory was won. But it seemed that such action in Quebec pushed a peace-minded people into conflicts involving essentially Canadians of British descent.

Canada is more than many other countries the work of human will. It has been called a geographical absurdity, an appendix to the United States, a 4,000-mile main street interspersed with empty spaces. The fact is that this country has lasted for a long time because some men have always wanted her to last.

Each generation is obsessed by the difficulties it must face, and this is why most of them have to go through periods of uncertainty. The Canada of today is no exception. But is it easier to maintain her today and to change her structure than it was to give her birth yesterday?

Canada will last, will progress and flourish; she will survive to the present crisis, because Canadians want it to be so with the same willpower that inspired the men who built her.

The present crisis reminds one of the situation referred to by Lord Durham in 1838: "I found two nations at strife within one state." To-day circumstances are very different. We are not the day after a bloody revolt. On the contrary, one of the problems is that a fraction of the Canadian people does not realize that the gap is widening between both partners and that we must reconsider the concept of Canada.

The authority we were referring to must not be inflexible and arbitrary. It must take into account new developments. As every living being, it must constantly adapt itself to new situations, and it must have a solid grasp of reality.

...Public opinion seems to evolve rapidly, especially in Quebec, and we are unable to foresee what its new orientations will be. Nevertheless, in spite of the importance of those events and of those adjustments, we are convinced that representations made to us are based on attitudes that are too deeply rooted to have been changed in a significant or permanent manner. Again we say: there is indisputable evidence that Canada's future is facing a serious threat.

Furthermore, we cannot fail to visualize that there are reasons for hope also and this feeling should be shared by all Canadians. Canadians of various origins have much in common although they see things differently. In many respects, they have inherited one great common European tradition with which they keep in contact across the seas. For over 200 years, they have lived together and they are influenced by geography and the North American way of life. All share the same love for their country. On trips abroad, English and French-speaking Canadians often realize that they have more in common with one another than with the people of foreign countries. All Canadians live in a modern, technologically advanced, society, with the attendant problems and advantages. In Quebec, progress may sharpen the sense of competition between Canadians of both languages; but because of this, they have, more than ever, a lot to say to each other.

• (8:40 p.m.)

To a certain point, some Canadians attribute this situation to the economic superiority of the English-speaking people, first on the local plane, but more so on the provincial and Canadian plane.

Some will say: the whole system is British. That is why the English-speaking people do not find it necessary to learn French and are entrenched here like an imperial army occupying a colony.

Therefore, the inequalities which are a matter for complaint throughout the country, political as well as business, are envisaged through local inequalities which they have experienced and which we know. We will be the first to become for many the reality of tomorrow, and the feelings it inspires are deep. As concerns the public service, for instance, a union official reports that, as a member of a labour delegation, he went to a country where the language was neither English or French. Our hosts knew we were French Canadians. Everywhere we went they made arrangements in order that someone there would be able to speak French. Thus, everywhere it has been possible for us to be understood, except at the Canadian embassy.

The question of French minorities in other provinces concerned a part of the population, but only a part. How can they be so ill-treated, when we are so generous towards ours (the English), generous to the extent that we let them anglicize us. On the other hand, such remarks lead many people to conclude that these French minorities are condemned to extinction on account of the behaviour of their English compatriots and, as a consequence, French Canadians must concentrate their efforts towards an unilingual Quebec.

How can we change such a situation and, particularly, how can we put an end to this servile position of the French language in Quebec? Most of the young people whom we meet think that the system should be abolished, that Quebec should separate from the the rest of the country. Others want the province to acquire more extensive powers and demand a new constitution or substantial amendments to the existing one. There is talk of a unilingual Quebec, or at least a wish expressed that French become the leading language of the province. It is very difficult to isolate problems considered as forming a whole: political problems, economic problems, social problems. These men live in a situation which they dislike and

which frustrates them; they ask for sweeping reforms and they are impatient.

Here is an extract from the report of the Royal Commission on Bilingualism and Biculturalism:

In our opinion, Canadians today face problems which are as serious as those which existed at the time of Confederation. Particularly in the province of Quebec, but also in other parts of the country, groups of people are demanding more and more insistently that Confederation be revised in the light of a deeper understanding of the fundamental association of the two founding peoples and of the growing contribution of Canadians of other origins. Some even question the confederative system.

The Canadian crisis is not unique, it is universal. Very few states are perfectly homogenous: in Asia, in Africa, in America and even in Europe, relations between groups of various cultures and languages are a source of deep concern and raise constitutional problems. If we manage to solve our difficulties, we will contribute to the world peace.

Following a sitting of the Royal Commission on Biculturalism and Bilingualism in Quebec, a very young separatist gave to one of the commissioners a copy of an old magazine. "Read that", he said. "I have found it in my grandfather's library. Yes in my grandfather's, he added with a sardonic smile. Everything the federalists say today is already written there and nothing came out of it."

It is a Montreal magazine *Action française* which in 1925 published a series of articles on bilingualism. The young separatist indicated to us some underlined excerpts contained in a study on federal bilingualism—legal aspect, published in February 1925: "English is spoken by the majority of the Canadian people, French by the minority. Therefore, it is the latter which is constantly called upon to justify its survival."

Mr. Chairman, we always talk like that interlocutor. This has been going on for at least forty years. The separatist went on to say: "Read that also", pointing at another excerpt of the review, to the effect that despite the surrender, French is not an intruder, but, as well as English, is at home in Canada.

A young audience is surrounding us now, still members of the Laurendeau-Dunton commission; it is for them that the separatist shouts a last quotation: "A few English Canadians seem willing to give a broad interpretation to the 1867 act, and recognize that Canada after confederation is an Anglo-French country." And the youngster exclaims, that that was written in 1925, and his pals burst out laughing.

Equal partnership, cultural equality: that is not a notion which will compel recognition by itself, even after most thorough studies. In order to expand, it needs the ready support of a free people—

—and since it is the future that is at stake, the participation of youth becomes essential: we shall listen to them with increased attention and interest.

As good old Aristotle said, friendship is the soul of the city. Today, human sciences state that the nation exists inasmuch as its members share a collective will to live. Basically, it is the same thought and it sheds on our undertaking a rather searching light. That "friendship", that "collective will to live", do they exist in Canada among all the national entities, and especially among the two founding groups of confederation? Are they ready both of them to accept the conditions which will make social life here possible and enjoyable?

In that same report on the inquiry on bilingualism, everyone can read the letter of the former prime minister, Mr. Pearson, and I quote:

In a speech I made in the House of Commons on Dec. 17, 1962—

It is the letter he sent to all provincial premiers.

—about the problems and advantages brought about in our country by the duality of language and culture established by confederation, I proposed an extensive inquiry on bilingualism and biculturalism, in consultation with provincial governments. That proposal was readily approved by parliament and I believe also throughout the country.

He had to answer. I have here the reply from the premier at that time, Mr. Jean Lesage, and this is what he replied to Mr. Pearson:

I am happy to tell you that the Quebec government is very much in favour of such an inquiry in consultation with provincial governments, as you propose.

Then there is the letter from Premier Manning, of Alberta. This is what Mr. Manning, the Social Crediter, had to say and I quote:

In respect of bilinguism, if the commission's purpose is to incite Canadian citizens to express themselves freely in two or several languages, it would surely be welcomed by most Canadians.

And we could continue—

The Deputy Chairman: Order. I regret to interrupt the hon. member but his time has now expired. Unless he has the unanimous consent of the house to continue? Does the committee agree to let the hon. member continue his remarks?

Some hon. Members: Agreed.

Mr. Dumont: I thank the hon. members for letting me continue. I only have a few quotations to put on the record.

This is the reply of the premier of the province who, I believe, informs us that we must consider the problem very seriously.

I have on hand the letter of Mr. Duff Roblin. It reads in part:

> —I wish to inform you that Manitoba has already taken steps to improve and to extend the teaching of French in public schools. Without underestimating the fact that the educational aspect of bilingualism is of prime importance, I doubt however that it could be effectively separated from its constitutional aspects.

If we have such important statements from our provincial premiers, it is high time, I think, that the citizens of Canada tackle the job themselves and try to do what Mr. Laurendeau said in his report on bilingualism. I quote:

• (8:50 p.m.)

> First of all, as you will have noticed yourselves, there are vast and various fields open to systematic research. In the field of public health, taxation or education, the problems are both serious and ticklish, but they are easily defined, whereas it is particularly difficult to determine the boundaries of our research projects. What is culture, and how can two cultures coexist in equality, "taking into account the contribution made by the other ethnic groups to the cultural enrichment of Canada"?
>
> The problem is certainly not a new one, and many Canadians have grappled with it.

Nevertheless, to summarize, the fact remains that today we mature Canadians must be able to say that many French Canadians are deeply convinced of their rights and that they are entitled to have their claims recognized by special measures.

In the meantime, the other Canadians hesitate or differ because they cannot assess the intensity of that feeling in French Canada, not being able to understand its motives.

As I am part of the Canadian parliament, as the representative of the riding of Frontenac, I personally want to feel at home everywhere in Canada. I do not want the spirit of bilingualism that animates now and will animate tomorrow the main departments to be a superficial bilingualism; on the contrary, it must analyze in depths what reforms must be made so that French Canadians as well as English Canadians can feel at home and be happy to live in Canada.

Mrs. MacInnis (Vancouver Kingsway): Mr. Chairman, this resolution is of great importance to me.

For a long time we have been busy with debates and statements on the necessity of putting the two founding cultures of Canada on an equal footing.

Recently, we passed legislation for the achievement of those aspirations. This resolution goes beyond words. It promises action. It promises legislation for the advancement of the linguistic rights of our fellow-citizens whose mother tongue is the French language. We, whose mother tongue or adopted tongue is the English language, heartily welcome this resolution.

[*English*]

We welcome this resolution warmly. Naturally we wish to see the bill and shall study its provisions closely. For the resolution we have nothing but a warm welcome.

This afternoon the hon. member for Crowfoot said that as a westerner he spoke for western Canada. Another westerner is speaking this evening, one who comes from the real west, as hon. members will realize when they hear the tones of one coming from British Columbia. British Columbia has been known to vie with Quebec as being the major separatist province in Canada. Of course in both cases there is much exaggeration.

I believe I have the right to speak for western Canada, having been born and brought up in Winnipeg. Most of my life has been spent between western Canada and Ottawa. Probably I have a right to speak not only as a westerner but, latterly, as a full Canadian.

Obviously, a number of people in western Canada and in British Columbia feel as the hon. member for Crowfoot feels. They are afraid, worried, upset and have all sorts of other suspicions preying on their minds. But there are other kinds of people in western Canada. No one who knows the people of western Canada will disagree when I say that there is one quality the people from the lakehead, right through to Victoria, have in common, and that is generosity of spirit.

Some hon. Members: Hear, hear.

Mrs. MacInnis (Vancouver-Kingsway): When your westerner understands something, he really goes to meet you and is generous. We have already proven that we can assimilate many kinds of culture, language and custom without losing our identity. We have not become a melting pot but a mosaic and, in addition, we have attained something that is unique in the world: We all get along pretty well.

It must be explained that western Canada and British Columbia did not know the rest of the country very well until recently, because this is a big country. Our vast geography has been at once our pride and our prejudice. We are so vast that our country is really a series of regions and, until the coming of the electronic age, we did not know each other very well. Last year, with Expo, we really came of age. All those who were members of this house then no doubt will remember the processions of people from the different provinces who came to our offices, came to see parliament, and came to see Expo. All those who saw Expo, whether they were from the Pacific coast or the Atlantic, were thrilled.

At that time we realized that we did not have to lose our cultural heritages in Canada. Above all, we did not need to lose sight of the big pieces of our mosaic, the French part and the Anglo Saxon part of it. That is because we were able to use the pieces of our mosaic to build a fine structure which would enable us to live in harmony and brotherhood. We realized then, I think, that it will be easier to build one Canada, because now we have modern communications and transportation. The aeroplane and other forms of communications will tie us closely together and will make a reality, this business of building a single country out of all the pieces. That is why we welcome this resolution now.

I want to explain something about western Canada, and I wish that those hon. members from the west would listen. In western Canada we have people from all over the world—Germans, Austrians, Danish, Chinese and many other nationalities. These people are apt to ask, "Why should French speaking people have special privileges that the Chinese, East Indians, Danish, German and other peoples do not have?" I think I have the right answer.

Apart from the Eskimos and Indians—and the Prime Minister was probably thinking of these people when earlier he talked of four languages—everybody else came here from somewhere else. If one thinks of the Indians and Eskimos as not being parties to the signing of confederation, it is easy to see that in this country there were originally two groups of people, the French and the English. As everyone knows, they warred within the bosom of a single country and the winner won by an accident. The British came out on top, and not the French; and that was an accident. I know that some to my right will say that is an awful thing to say, because we have been brought up with the story of General Wolfe, and how smart he was to climb the cliffs at Quebec. His victory was an accident of history, and it well might have been the other way around.

It must be explained to westerners that when this country became a country, not at confederation but much earlier, two groups of people were left here when the wars were over, and these are the founding groups of our modern Canada. Consequently the French speaking and the English speaking groups have a prior right to have their languages and cultures recognized officially.

I believe westerners will understand this. It has not been brought home to westerners and other Canadians who have been exposed to the conquest theory that the French speaking people were on a footing of equality with all others in this country from the very beginning. The conquest theory is a very bad theory which should have been scrapped long ago. For too long it has maintained its place in the history books.

Like my colleague who spoke a few minutes ago, I wish to see preserved as much as possible of all the other cultures of all groups of people who have come here, and who have made such a rich cultural mosaic in Canada. Nevertheless, I am content that there be two official languages and two official cultures in this country, founding languages and cultures that shall be recognized as such.

I believe western Canada welcomes this resolution. A number of younger members spoke today, saying that today's young people have no intention of continuing the old feuds and harbouring the old religious or racial prejudices. They are all old wives' tales which ought to have been left behind in the dark ages or at least in the nineteenth century.

Why do I think that this resolution will find a welcome among the peoples of western Canada, as indeed it will all across Canada? First, as my leader pointed out this afternoon and my colleague this evening I believe it is long overdue.

• (9:00 p.m.)

Second, it is only on the basis of equality, and nothing short of equality, accorded to the language and cultural rights of French speaking Canada that we shall ever have a harmonious country. I want us to get on with the job of building Canada instead of quarrelling everlastingly among ourselves, and the only way in which this can be done is through increasing recognition of the rights of French speaking Canadians. In the third place, I think all Canadians have a right to feel at home—chez eux—in any part of the country. A French speaking person does not feel at ease if he is met by a unilingual policeman in the City of Ottawa. In the fourth place, I believe we shall benefit by a richer culture and a much greater Canadian heritage if we place our two founding language groups on a footing of complete equality.

[*Translation*]

This afternoon the hon. member for Champlain (Mr. Matte) spoke about the Vancouver nursery which, although subsidized, had to close because there were not enough children.

But he is not aware perhaps that in Maillardville, near Vancouver, there is now a nursery where French-speaking children are looked after by a fully bilingual woman teacher of English origin, from Montreal. That is an example that I want to call to the attention of all Canada, it is an example that must be followed.

[*English*]

In British Columbia we have the first French language radio station on the west coast—station CBUF-FM—and we would not have had that station no matter how badly the French speaking people out there wanted it, but for a whole lot of people of non-French speaking origin who said: We want to enrich our culture on the west coast. And these people fought for the establishment of the station side by side with people of French origin.

[*Translation*]

I would like now to say a few words to my French-speaking compatriots. I know very well that you, of French origin, think of yourselves as Canadians rather than French. Your ancestors were French. You are proud of it. But you are Canadians.

It is the same with us whose ancestors came fram England, Holland, Sweden, China or any other country. We speak English but we are not English. I am tired of hearing people from French origin call us English. I am not English, I am the end result of a mixture of three or four other races. I could give you the English word which can express that, but it cannot be said in French. It is not a parliamentary expression, but you know what I mean.

I would like it so much if our French-speaking fellow-citizens of French origin soon started calling us Canadians too, because we all live in this beautiful country which is Canada. Together, while each retaining his own language and founding culture, we can build a country of which we could all be proud because this country will be the result of our harmonious efforts so that we may enjoy living and working together as partners and friends.

It is with that spirit that I address you tonight. As for me, I am a Canadian and you, you are Canadians regardless of our origin. We are Canadians and I hope we are going to stop quarelling. We have to live together. Let us forget our differences and let us work altogether in order to build and develop a beautiful country, a friendly Canada.

Mr. Stewart (Cochrane): Mr. Chairman, I am pleased tonight to say a few words about that resolution. I did not want to pass up this opportunity to speak briefly because I spent a good part of my life fighting for the principle of bilingualism.

I was brought up in an English-speaking family but I chose to carry on my studies in a French university because I have always felt that a complete Canadian is a bilingual Canadian. I have always felt that as much as possible all Canadians should try not only to speak the two languages of our country, but also to understand the mentality of the two main groups in Canada. I think that is even more important than the matter of language.

[*English*]

I was happy to hear so many encouraging words from the previous speaker, particularly as she comes from the far end of the country, a region which many of us think as being not entirely in sympathy with French Canada. The hon. lady has shown us that this idea is probably a myth.

I am glad a royal commission has suggested the appointment of a commissioner of languages. This is long overdue. I cast no aspersions on those engaged in the public service when I say I hope the person appointed will not be a civil servant. I am thinking of the appointment of someone like the late Mr. Laurendeau, an outstanding Canadian; this is the type of person we should choose to be commissioner of languages.

I hope the new commissioner will have responsibility for everything to do with this field. For example, there is the school of languages, there is the secretariat which was set up some time ago on a temporary basis, I believe, and whose staff has been depleted considerably in recent months. Then there are advisers on bilingualism in most of the departments, and I believe that the remainder should be appointed as quickly as possible. Unfortunately, some of the advisers feel their work is floundering somewhat because there are so many different steps to be followed at the moment—the secretariat, the school of languages, and so on. We also employ translators. In this regard I believe there is a need in every department not only of translators but of an editor. An editor is necessary. There are, for instance, in the public service many people who have never had the opportunity in past years to use their own language. Therefore they have become very rusty. As a result, if they were to attempt to write memoranda and letters in their own language they would find that an editor in the translation department would be very helpful to them. Also people who have learned a certain amount of French from having gone through immersion courses, and the like come back to their departments and find themselves in the position of being unable to put into practice what they have learned. If they were to attempt to write memoranda and letters, an editor in the translation branch would be able to correct their mistakes and fix up the text for them. I think this would be a very good service. I believe also it would mean that there would be a great deal more writing in the other language within our public service.

• (9:10 p.m.)

When I mentioned that I would like to see the commissioner of languages taken from outside the public service, I did not intend to create the feeling that there is anything derogatory about the public service. I do wish to say however that sometimes appointments within the public service are not exactly as they should be, and I believe I have a very good example in this regard. We have heard a good deal about the necessity to have bilingual persons occupy certain positions. We have a school of languages, and yet the director general of this school of languages is not bilingual. From my point of view this is completely unacceptable, and I do not believe it should be tolerated in Canada at all. If there is any position in the public service which calls for a bilingual person it certainly is the position of director general of the school of languages. I hope this situation will be rectified before very long.

There is another example I should like to cite. Sometimes we become involved in bureaucratic considerations. The book says that such and such is the figure and that therefore it must govern the decision. In my riding there is a town called Chapleau. More than half the people in this town are French speaking, but according to the former census only 39 per cent of them are French speaking. Recently there was a competition for the position of postmaster in that area. I recommended that the requirements of this position were such that it should be filled by a bilingual person, not just as a desirable qualification but as an absolute necessity. The answer I received was that if 40 per cent of the people were French speaking this would be the requirement, but when only 39 per cent of the people were French speaking this requirement could not be included. This is an example of the kind of thinking we do not want. I know that in that particular area the figure is higher than 39 per cent, but that is not the point. The point is that for a figure of one per cent we would let our principles in respect of bilingualism go down the drain. I do not believe that is the correct attitude.

Within two principal departments of government we have the position of foreign service officer. We say that Canada is officially a bilingual country. The image we present abroad should be that of a bilingual country. Yet we allow foreign service officers who are not bilingual to go abroad. It is true that in recent years and recent months steps have been taken to ensure that new foreign service officers are efficient in a second language in a certain length of time. I believe the Prime Minister left to the civil servants the matter of determining what that prescribed period of time should be. As of now, no one within the public service has stated what that period should be.

In the Department of Trade and Commerce new foreign service officers must undergo a period of training for one year before they are sent abroad. During that time they attend an intensive course in French. My contention is that even if it is necessary for them to spend a longer period in initial training they should not leave this country until they are bilingual. I do not believe there would be too much difficulty involved in this, because from my personal experience in the Department of Trade and Commerce last year I am aware that those who had the greatest amount of success in becoming French speaking were five students from the province of British Columbia. I think this is very significant. It shows that people from a completely anglophile area are able to do better even than people from a province such as Ontario, who would have heard French before attending university. Therefore, I can see absolutely no reason for any officer in our foreign service being permitted to go abroad unless he is bilingual.

I should also like to make the point that in this House of Commons, the seat of government in Canada, we should set the example for the rest of the country. I was somewhat appalled when I first came here to see that such things as letterheads in one language or another were used instead of letterheads in both languages. At every committee meeting the question arises as to when the minutes of proceedings and evidence will be available in the French language. Members wonder why the minutes of proceedings and evidence cannot be made available in both languages at the same time. They are told that there are technical problems involved in this. I do not think that is a reasonable excuse. As a matter of fact this is the type of excuse that has been given for hundreds of years. It is no wonder that French speaking Canadians who come to Ottawa have the feeling they are not being treated on an equal basis when they see this type of situation existing at the seat of government.

I think it is high time that we decide whether or not we are a bilingual country. If we decide that we are, then let us adopt measures that will show that we are. If this requires an extra effort on the part of those who are looking after the administration, then let them use a little bit of imagination and start getting these things on the road.

This applies also to ministers' offices. I thought it strange when not long ago I discovered that the persons answering the phones in some ministers' offices could not answer a person who happened to have French as his mother tongue. As a matter of fact, recently a survey was made. I felt that in one minister's office the situation had developed perhaps a little too far the other way. In the survey it was found that of the persons who answered the telephones in the minister's offices three answered in French only, nine answered in English only and the remainder were bilingual. It would seem to me that in every case there should be no question about this. There should be a person in a minister's office at all times who is ready to answer questions in either language.

I do not know whether the government envisages this or not, but it would seem to me that one thing which contributed most toward unity in this country during our centennial year was the exchange visits of students between one province and another, particularly in the two main language groups. I believe that was one of the greatest unifying forces. It permitted the young people to become acquainted with each other. The only way in which we can learn to understand each other in this country is by getting to know each other. If these exchange visits could be continued and placed perhaps under the aegis of the commissioner of languages, I believe this would be a great boon to Canada. I do not wish to speak at too great length because I realize we are only at the resolution stage of the bill. However, I wish to say that I commend this measure very highly and I am sure hon. members on all sides of the house will agree that this is one of the greatest steps taken in Canada today.

Resolution reported and concurred in.

Mr. Trudeau thereupon moved for leave to introduce Bill No. C-120, respecting the status of the official languages of Canada.

Motion agreed to and bill read the first time.

• (9:20 p.m.)

PATENT ACT—TRADE MARKS ACT

EXTENSION OF AUTHORITY TO GRANT LICENCES

Hon. Ron Basford (Minister of Consumer and Corporate Affairs) moved the second reading of Bill No. C-102, to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act.

He said: Mr. Speaker, and hon. members, many of whom were here during the last

parliament will recall that on February 12 of this year my predecessor, now the Minister of Justice (Mr. Turner), moved the second reading of Bill No. C-190, to amend the Patent Act and the Trade Marks Act. For the benefit of hon. members who were not present in the house at that time, I would refer them to page 6615 of *Hansard* wherein my colleague clearly set out the government's position in respect of the high cost of prescription drugs to Canadian consumers.

A study of the retail prices of patented drugs by three inquiries—one being an inquiry by a special committee of this house—reached the conclusion that drug prices in this country were unduly high or, at least, higher than they need be. In consequence, the government determined to do what it could at the federal level to reduce drug prices and, at the same time, maintain a situation where drug manufacturing in this country would not be unduly restrained, where pharmaceutical research in Canada would not be discouraged and where continued safety for the Canadian public would be preserved.

Hon. members will recall that, although the then Bill No. C-190 passed second reading, it died on the order paper due to the dissolution of the house, and it is now re-introduced under the title of Bill No. C-102. May I say immediately that the government has in no way retreated from its original position and that during the interval between the introduction of both bills nothing has come to the attention of the government which would indicate that it should modify or change its general position as set forth late last winter. However, certain amendments have been introduced, notably with respect to safety, as a result of the previous debate and presentations that have been made, including some of my own, which I shall comment upon later.

I should like to make it abundantly clear at the beginning that the bill of which I am now the sponsor is only one measure of a package designed to reduce the costs of patented drugs to the consumer, and hence in no sense should be considered as the only attempt to be made to alleviate costs to drug users. There are five measures in this package; five points in the government program. The first step has already been taken; the removal of the sales tax from drugs; reduction of customs duty on these products from 20 per cent to 15 per cent and narrowing of the application of dumping duty to drug imports.

The second step in the government's program is that contained in the present measure before the house, namely amendments to the Patent Act and Trade Marks Act to permit the issue of compulsory licences for import under patents relating to drugs. This will complete the remaining legislative steps required to implement the over-all program designed to reduce the price of drugs.

The two legislative steps, and the others which I shall describe in a moment, were recommended by the special committee of the House of Commons on drug costs and prices, known to you more familiarly as the Harley report. Since the dissolution of the last parliament, Dr. Harry C. Harley, who was chairman of that committee, has ceased to be actively engaged in political life. He did not seek nomination or run for re-election. I should like to take this opportunity of publicly recognizing the devoted work of Dr. Harley in the affairs of this house, and particularly his work as chairman of the special committee from which this bill originated.

The third step in the over-all program is development of an information service to doctors, which was recommended by the special committee.

The food and drug directorate, with the assistance of the Department of Consumer and Corporate Affairs, is undertaking a program of providing objective information to the medical profession about the properties and prices of drugs, so that the prescribing physicians will be aware of the price differential between competing drug products of demonstrated quality, safety and effectiveness. The object of this program will be to enable the physician to know that choice of drugs is available to him on the Canadian market for his requirements. While a decision as to what he will prescribe is to remain with him, the intention is that he should be made aware that there is a choice to be made in many cases between competing products and prices. Resources have been provided for this purpose to the Department of National Health and Welfare, and it is at present expected that the first monthly information bulletin will appear toward the end of next summer.

The fourth step in the over-all program is the pharmaceutical industry development assistance program commonly known as PIDA.

The pharmaceutical industry development assistance program, which is administered by the Department of Industry, is a direct loan program designed to strengthen and improve the efficiency of the sector of the pharmaceutical industry which manufactures and sells prescription drugs at lower prices. These companies, most of which are Canadian owned, engage in or are prepared to engage in, effective price competition against the international drug firms. However, many of them are unable to obtain sufficient financial assistance on reasonable terms in order to extend their operations. PIDA is intended to fill this need. These firms will of course have to compete with drugs imported under compulsory licences. But where it is economically feasible to make these drugs in Canada at lower prices, or at least at prices competitive with the imported drugs, it is the government's view that these firms should be given encouragement to do so, thus providing further supplies of drugs to the Canadian market at lower prices. Resources have been provided for this program and the department is now in a position to consider applications.

The fifth step in the over-all program involves discussions with the provinces, designed to tackle the problem of the high cost of the retail distribution of drugs, important aspects of which are within provincial jurisdiction. The government recognizes, as did the special committee, that it is not sufficient to inject price competition at the manufacturing level only; an important element in the cost of drugs to the consumer lies in distribution and pricing practices at the retail level. This is a matter which, now that the federal government is completing the steps that can be taken within federal jurisdiction, is on our agenda for future federal-provincial conferences.

• (9:30 p.m.)

Reverting now to the bill before us, I should explain very briefly its purpose. The various public inquiries were satisfied that one of the reasons for the high cost of drugs in Canada lies in the lack of price competition in this industry. This arises because of the unusual degree of protection accorded the industry through the combined effect of the tariff, the patent and trade marks laws, and the new drug regulations. The bill is designed to inject price competition into the Canadian market, by making it possible for firms in Canada to import drugs without fear of being subjected to infringement actions for breach of patent and trade mark rights. The machinery to accomplish this will be explained in greater detail later. At the same time the bill makes it clear that such imports are not to take place at the expense of the safety, quality and efficacy of drugs reaching the Canadian market.

Bill No. C-102 now before the house is essentially the same as Bill No. C-190 of the last parliament. There is, however, some revision which, for the assistance of hon. members, I will explain. We have provided for some flexibility in the computation of the royalty by the patent commissioner under a compulsory licence; the governor in council will be able to adjust the royalty formula in the light of experience, and the recommendations of the Economic Council of Canada, which is studying the patent legislation. The bill makes it clear that the issue of a compulsory licence does not relieve the licensee of the obligation of complying with the Food and Drugs Act and regulations. Provision is made for additional protection against hazards to health in the case of an imported, trade marked drug, and widest powers are given to the governor in council to regulate both the importation and distribution of drugs manufactured outside Canada for the protection of the public in relation to safety and quality. These are the main changes. In addition, there are some technical provisions unrelated to drugs, concerning periods when the patent and trade mark offices are closed for business.

A word of explanation about the patent and trade mark system may be of assistance to hon. members. The owner of a drug patent has, by statute, the exclusive right for 17 years from the issue of the patent to make, use or sell the invention which is patented. The statute gives him a complete monopoly. Without the permission of the patent owner another person is not at liberty to import, make, use or sell a drug resulting from the invention without subjecting himself to an action for damages. The patent owner may grant a licence to another person to use the patent or he may be required to accept a

compulsory licence if the statute so provides. The Patent Act at present provides for a compulsory licence to manufacture a drug in Canada, and the bill will extend this facility to importation of drugs.

Likewise, the Trade Marks Act provides that the owner of a trade mark in Canada has the exclusive right to use the trade mark, which includes selling a product which bears it. The Canadian trade mark owner can, in law, prohibit others from importing or selling a drug bearing his trade mark even if it comes from a foreign company related to the trade mark owner. This is a further measure of protection which has inhibited price competition, and one purpose of the bill is to limit the monopoly power accorded to the trade mark owner in Canada. As in the case of the patent, an importer who imports a trade marked product lays himself open to an infringement action in the courts for unauthorized use of the trade mark unless he has permission to use it either from the trade mark owner or by statute.

I wish to emphasize that the importation of a patented or trade-marked product is not in itself a crime; it is a breach of a civil right of the patent or trade mark owner. But patent and trade mark litigation is expensive and this bill merely establishes a right to use the patent and trade mark in a special way which at present could give rise to civil action by the owner.

My predecessor, the Minister of Justice (Mr. Turner), when introducing Bill No. C-190 made it clear, beyond the shadow of a doubt, in the introduction to his address that the government accepted unequivocally the conclusion arrived at by the Restrictive Trade Practices Commission in 1963, the Royal Commission on Health Services in 1964, and the special committee of this house dealing with drug costs and prices which reported in April, 1967, namely, that the prices of drugs to the Canadian consumer were unduly high or, as it was stated to the special committee of the house, such prices were "higher than they need be".

My colleague introduced tables which, with the agreement of hon. members, were inserted in *Hansard* of the last session of the last parliament on pages 6616 to 6621 inclusive. They set forth comparative prices to the retailer of some of the most commonly used prescription drugs in different countries in the world. All of these tables, without exception, indicated that the conclusions of the commissions and the special committee were accurate. There was no reason to believe that in the last months any vital change had occurred which would indicate those original comparisons had moved significantly one way or another. Nevertheless I obtained from the same sources as were used by the Harley committee the current prices of the same patented prescription drugs to the retailer in Canada, the United States, and in five European countries as were set out in the last table commencing on page 6620 of *Hansard* of the last session, and I would ask for the indulgence of the house to have this table bearing date of August 23, 1968 printed in *Hansard*, at this point in my observations, to bring these statistics up to date.

The Acting Speaker (Mr. Reid): Is this agreed?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

Table showing comparative prices to the retailer of some of the most commonly used drugs in different countries.

Trade Name	Country	(100's) Price to Retailer
Chloromycetin (Broad Spectrum Antibiotic)	Los Angeles, U.S.A.	23.96
	CANADA	21.68
	Boston, U.S.A.	20.29
	Chicago, U.S.A.	20.29
	Rome, Italy	10.80
	Berne, Switzerland	9.86
	London, England	9.53
	Bonn, Germany	9.32
	Paris, France	——
Achromycin (Broad Spectrum Antibiotic)	Berne, Switzerland	22.40
	Rome, Italy	19.50
	Bonn, Germany	17.57
	CANADA	13.56
	Los Angeles, U.S.A.	13.01
	Boston, U.S.A.	12.05
	Chicago, U.S.A.	12.05
	London, England	8.37
	Paris, France	——
Gantrisin (Sulfa drug)	Berne, Switzerland	4.34
	Rome, Italy	3.75
	CANADA	3.64
	Boston, U.S.A.	3.15
	Chicago, U.S.A.	3.15
	Los Angeles, U.S.A.	3.15
	Paris, France	2.90
	Bonn, Germany	2.31
	London, England	2.05

Trade Name	Country	(100's) Price to Retailer
Decadron (Corticosteroid)	CANADA	16.10
	Rome, Italy	15.90
	Boston, U.S.A.	15.57
	Chicago, U.S.A.	15.57
	Los Angeles, U.S.A.	15.57
	London, England	12.02
	Berne, Switzerland	4.37
	Paris, France	——
	Bonn, Germany	——
Librium (Tranquilizer)	Boston, U.S.A.	7.50
	Chicago, U.S.A.	7.50
	Los Angeles, U.S.A.	7.50
	CANADA	6.49
	Rome, Italy	4.12
	Paris, France	3.38
	Berne, Switzerland	2.73
	London, England	2.56
	Bonn, Germany	2.49
Equanil (Tranquilizer)	Los Angeles, U.S.A.	7.10
	Boston, U.S.A.	6.22
	Chicago, U.S.A.	6.22
	CANADA	5.50
	Berne, Switzerland	5.15
	Rome, Italy	4.25
	Paris, France	2.26
	Bonn, Germany	——
	London, England	——
Enovid (Contraceptive)	Rome, Italy	19.20
	CANADA	10.50
	Los Angeles, U.S.A.	9.63
	Boston, U.S.A.	9.40
	Chicago, U.S.A.	9.40
	Berne, Switzerland	7.70
	London, England	3.29
	Paris, France	——
	Bonn, Germany	——
Butazolidin (Antiarthritic)	Boston, U.S.A.	6.28
	Chicago, U.S.A.	6.28
	Los Angeles, U.S.A.	6.28
	CANADA	5.57
	Paris, France	2.76
	Berne, Switzerland	2.33
	London, England	1.81
	Rome, Italy	——
	Bonn, Germany	——
Premarin (Estrogenic Substances)	Rome, Italy	9.85
	Berne, Switzerland	8.23
	Boston, U.S.A.	6.75
	Chicago, U.S.A.	6.75
	Los Angeles, U.S.A.	6.75
	CANADA	5.84
	London, England	4.96
	Paris, France	——
	Bonn, Germany	——

Generally speaking, a strict comparison of the tables indicates quite clearly that Canadian prices are high and the conclusions of the two commissions and the special committee with respect to these prices have not been altered by the passage of time.

Arguments have been made by the drug companies that high Canadian prices are in fact due to higher labour costs in Canada than in, for example, Italy or other European countries, and hence the generally higher price range is not out of the way. I might say that the Harley committee thoroughly studied this argument and rejected it completely and unanimously. Merely because Canada has a higher standard of living than other countries does not support the contention that automatically drug prices, or any prices in fact, should be higher for that reason alone. The government accepts the views of the Harley committee in this respect.

The purpose of the legislation is, of course, quite clear, and that is to engender or, if you will, to inject more price competition into the Canadian drug industry. Patents and trade marks, by their very nature, are restrictive in character and tend to limit competition. That this in some circumstances is a good thing, that this alone may stimulate research and promote industrial growth, very few will deny. Yet even here economists may differ as they relate the problem to the economic situation of the country concerned. However, in the area of medicines it is a long held view that full monopoly protection runs counter to the public interest; and Canada is by no means the only country where medicines under patent systems are treated in a manner that derogates from the normal monopolistic character bestowed upon new inventions, processes and products.

In some countries patents on drugs are not permitted at all, and in other countries licensing or working conditions are attached to the patent grant which prevent the patent monopoly from taking its normal full effect. In a moment or two I shall dwell in more detail upon the present licensing aspects of patented drugs in Canada which have sought to balance the public interest with the rewards due the inventor or patentee for his contribution to society.

I have no hesitation, as a new minister, in saying that the bill is a complex piece of legislation. It is designed, first to permit the commissioner of patents to grant compulsory licences to applicants who wish to import patented drugs into this country of any nature or kind, whether such drugs are represented by active ingredients in bulk form, or medicines in final dosage form. Second, it is designed to permit the importation by third parties of certain trade marked drugs from the foreign parent companies of Canadian subsidiaries without fear of infringement.

• (9:40 p.m.)

These, very briefly, are the specific objects of the bill. The bill, in the case of the higher priced drugs, is intended to force the Canadian drug manufacturers to meet competition by the paring down of their present monopoly prices.

Compulsory licensing of drug patents, of course, is not new to Canada. That was the purpose that lay behind the 1923 amendment to the Patent Act in connection with section 41 (3), which we now propose to amend again, and which permitted the commissioner of patents to grant licences to applicants who wished to manufacture patented foods and drugs in this country, provided the commissioner saw no "good reason to the contrary". For more than 40 years, therefore, it has been parliament's well recognized intention to modify and limit patent monopolies as applied to foods and medicines. The present bill is introduced to extend this limitation of the normal protection afforded by the patent system in so far as medicines are concerned.

Compulsory licences to manufacture under the 1923 amendment provided in the present section 41 (3) of the Patent Act, as it turned out, were not sought in substantial numbers. Hindsight reveals that the amendment did not by itself fulfil the intention of parliament at the time, whether because prospective applicants anticipated that costly litigation would precede the issue of a licence or because in most instances it was not economic to manufacture in Canada the basic drug or active ingredient of the drug under the particular patent concerned. Even now, as pointed out by the Harley committee and admitted by the drug industry, pharmaceutical corporations in Canada, taken together, import some 85 per cent of the active ingredients from their parent corporations or other foreign producers; and the manufacture of patented drugs in this country involves to a great extent a change or conversion from the particular bulk active imported ingredient to the final dosage form, whether pill, liquid or capsule, together with routine packaging and labelling.

I might add that the passage of this bill, in effect, in some respects clarifies and makes certain the existing authority of the commissioner of patents. Legal opinion already exists that section 41 (3) at present authorizes the commissioner to issue compulsory licences for the importation of patented drugs for further processing in Canada. Former commissioners, however, did take the view that this right did not lie within their jurisdiction, and hence the present legislative enactment will now definitely remove any legal doubt with respect to the law.

What this bill will bring about, then is an incentive to permit responsible third parties to import drugs in any form to compete with patented and trade marked drugs manufactured by the companies at present dominating the Canadian market. These companies, as I have said, in fact import even now up to 85 per cent of the basic or active drug ingredients.

I repeat that the introduction of price competition into this industry is the underlying object of this bill; and those who considered this particular method of reducing prices to consumers, either in the two commissions to which I previously referred or in the special committee of this house, concluded that by so doing the existing pharmaceutical industry in Canada would not be prejudiced to an unfair or unreasonable extent. I do not think I need mention that the special committee's report, a committee represented by all parties in the house, was unanimous. Indeed, all studies have led to one single conclusion: Namely, that a lowering in drug prices to the ultimate consumer would certainly result if price competition were made effective at the manufacturing level.

It was the view of the three major inquiries that this will work. The government has every expectation that in conjunction with the remainder of the program I have outlined at the beginning of my speech, the economic pressure on prices will result in drug prices being lowered at the manufacturing level in the first instance, and ultimately to the consumer. If, however, it should turn out that the measures proposed do not have the desired result, then we are prepared to take further measures because the government is determined to bring about a lowering of drug prices in Canada.

Much was said during the debate on the original Bill C-190, by pharmaceutical corporations and proponents of the patent system, that the introduction of such a bill was a retrograde step, that such a bill merely placed a foot in the door for those who wished to abolish the patent system, that research incentives would be partially if not totally destroyed thereby, that research would cease and trained scientific personnel throughout the Canadian drug industry would leave the country in numbers and finally, that such a step in itself would leave Canada open

to possible retaliation by other countries which are members of the Paris union, that is, the international convention respecting patents, of which Canada is a member.

All these objections have been brought many times to the attention of the two commissions and the special committee of this house, and the evidence seems clear that this is unfounded. Every argument, every statement and every remark to this effect that has been put forward by pharmaceutical corporations and their associations, and by the patent and trade mark institute of Canada—through their executives, counsel and accountants—have been studied and carefully considered. Every argument put forward against the original Bill C-190 that could have been advanced has been advanced, not only to the two commissions and the special committee but also to hon. members of this house during the last session of the previous parliament and, indeed, since that time I, too, have been available to anyone who wished to make representations or discuss ideas on this subject.

When dealing with manufacturers' prices and contending that these are excessive, we must consider the various factors, of course, that, taken together, make up the final price to the consumer. One of these is profit. The special committee noted that the average rate of return on investment in the Canadian drug industry was 20 per cent compared with about 10 per cent for all manufacturing. The comparison was made over a period of 12 years. It would appear therefore that there is a "cushion" here that is capable of adjustment to increased price competition.

Second, I now wish to emphasize certain costs deliberately assumed by the drug industry itself which we feel an injection of competition will undoubtedly reduce. The Pharmaceutical Manufacturers' Association of Canada, which is an association speaking for some 57 members—and which is representative of the largest group of drug manufacturers in this country—reported to the Harley committee that for the year 1964 some 30 per cent of the manufacturers' sales dollar—as reported by 41 of its members—was spent on sales promotion.

No figures have since been given to us that would indicate this percentage has substantially changed. This, incidentally, compares with 7 per cent of the sales dollar spent by the industry for research and development. I repeat that—30 per cent was spent on promotion, 7 per cent on research and development. Two interesting observations can be made from these figures: First, that over four times as much money is spent on promotion, advertising and public relations by the industry as is spent on research; and, second, that the economics of the industry are such that almost one third of the manufacturers' sales dollar is spent in an attempt to demonstrate to physicians, pharmacists and buyers of drugs that the product of one company is superior to that of another. As pointed out by the special committee, the simple reason that lies behind the large amounts of money spent on marketing is that the drug industry differs uniquely from other industries.

Hon. members are aware that the consumer of drugs has no choice of purchase. The physician chooses and must choose the drug for his patient, he writes out the prescription and the pharmacist fills out the prescription as ordered. In fact, the consumer very rarely knows the name of the drug he is taking, and the labels on the bottles containing his prescription do not ordinarily inform him. All the promotional activities by the drug industry are directed either to the physician or to the pharmacist, or to the purchasing agents of hospitals and government departments. And, as I have said, this form of marketing accounts for some 30 per cent of the manufacturers' sales dollar. The fact is that this situation can be remedied only by injecting real price competition in the open marketplace, so that conditions are created whereby the companies will be forced to minimize these costs.

• (9:50 p.m.)

It is the government's considered view, therefore, that we should open up the drug market to price competition by allowing imports of drugs under compulsory licence and under the control of the food and drug directorate, as this bill is designed to bring about, and thereby reduce as much as is practicable these marketing costs.

I come now to the question of the safety and quality of imported drugs. Certainly it is absolutely essential in the public interest that high quality and safe drugs be made available to Canadians, whether manufactured in Canada or imported. The high price of a drug does not guarantee safety and quality. Lower price drugs can also be of a high quality and safe. A brand name drug is not necessarily safer or of higher quality than any other drug. The question of safety, together with high quality, has been dealt with by every member of this house who took part in the debate on Bill C-190. The two commissions and the special committee heard many witnesses on this subject, and these included Canadian officials

responsible for seeing that all the requirements of the Food and Drugs Act and its regulations are met.

Safety and high quality do not spring from any name attached to a drug product, whether brand or non-brand; they come about through the integrity of the particular manufacturer of that drug, be he Canadian or otherwise, and the vigilance of the food and drug directorate of the Department of National Health and Welfare. Yet the assumption is continually being made and asserted, one which we cannot accept, namely that importation of drugs from countries other than Canada would be unsafe, in that they would not be pharmaceutically or clinically equivalent to similar drugs manufactured in Canada.

The safety factor, I repeat, is of prime importance. Drug safety is the responsibility of the Department of National Health and Welfare through the food and drug directorate. And any drug that is sought to be manufactured in Canada or imported into Canada, whether under a patent licence or not, can be excluded from the Canadian market if it does not meet the high standards of that directorate. It again should be borne in mind that 85 per cent of the basic drugs for the Canadian market are already being imported.

I expect that during the course of this debate the question of safety and efficacy of drugs will be referred to time and time again by hon. members; and that repeated efforts will be made to tie in the responsibility granted the commissioner of patents under this bill to that responsibility which solely belongs to the food and drug directorate. My colleague, the Minister of National Health and Welfare (Mr. Munro), is fully prepared to deal with all questions arising concerning the safety and efficacy of drugs, and his department's program of safety and quality control. Hon. members will observe that the bill contains provisions in addition to those that were in Bill C-190 to provide additional authority to the Minister of National Health and Welfare to enable him to discharge his responsibilities in respect of safety.

The drug companies maintain that this bill, when enacted, will notably affect a continuance or growth of pharmaceutical research in Canada. I have no such apprehensions. The proposed amendments to the Patent Act and the Trade Marks Act are designed to encourage increased price competition at the expense of excessive sales promotion, not at the expense of research. In any event, a significant part of the research spending which has taken place in this industry is attributable, not to the patent system in Canada but to government incentives of various kinds.

In its report, the special committee of the House of Commons on drug costs and prices came to the conclusion that the drug industry in Canada would continue in the foreseeable future to remain largely within the international framework, that the larger Canadian companies would remain subsidiaries of international corporations, and that any further noticeable increase in research in Canada by these subsidiaries would in all likelihood derive from the stimulus of the incentives the government provides for research and development. It is perhaps worth recalling that the Canadian market is of relatively minor importance to anyone wishing to market a new drug discovery. Drug research is predicated on the idea of supplying a new discovery to the world. Some evidence of this is provided by the fact that 95 per cent of Canadian patents are owned by non-residents. I therefore see no reason why the proposed patent amendments should change the locus of any research undertaking which is contemplated, if there are otherwise good economic reasons for locating it in Canada.

At this juncture I should like to join my predecessor, now the Minister of Justice (Mr. Turner), in paying tribute to Charles E. Frosst and to Ayerst, McKenna and Harrison, two of the original Canadian manufacturers who did in fact conduct, and still do, fundamental drug research in this country. Nor am I overlooking the excellent research work of academic and other non-commercial institutions in Canada. The hope always remains that other manufacturers will do likewise but, as I have suggested, as long as the international framework of this industry persists meaningful drug research in Canada will depend on government and other government incentives.

There is another aspect of the Canadian drug industry which should be brought to the attention of hon. members. This industry is primarily concerned with the domestic market. Exports are comparatively few. In fairness, however, I would point out that the Pharmaceutical Manufacturers Association of Canada now claims that exports approach 10 per cent of sales. This figure is unlikely to

increase significantly because of the unique character of the industry and its embodiment in an international scheme. As one manufacturer said to the special committee: We have so many plants all over the world I just do not know where we would export to.

In view of the time, Mr. Speaker, I wonder whether the house would like to sit until I finish, or to stop now? I will not be very long.

The Acting Speaker (Mr. Béchard): Does the house agree to continue?

Some hon. Members: Agreed.

Mr. Basford: I thank the house, Mr. Speaker, for allowing me to complete my remarks so that the official speaker for the Conservative party can start his remarks the next time the subject is debated.

I have endeavoured to show that there is ample room for the Canadian drug manufacturers to meet competition from importers as designed by this bill. Apart from the above, the Canadian drug manufacturer, as a patentee of a drug, has three specific advantages over importers of the same drug. First, he will still enjoy a preferred tariff position. Second, he will receive a royalty required to be paid to him by the licensed importer in an amount to be decided upon by the commissioner of patents. Third, he will, as a practical matter, have a period of complete monopoly protection from the time his newly innovated drug is placed on the market, until such drug loses its "new drug status", except in the unlikely event that a competitor also clears the product as a new drug.

The regulations under the Food and Drugs Act require a manufacturer, before any sale of a new drug is permitted, to carry out costly and intensive tests, the results of which must satisfy the food and drug directorate as to the safety and efficacy of the drug. When so satisfied, the directorate issues a notice of compliance which allows the manufacturer to market the drug in quantity, and for that length of time necessary to ensure that no serious side effects of the drug may show up. This period of time is generally not less than five years, and during that time the product remains in new drug status. During this time no other manufacturer can enter the market and sell the same drug until he, too, receives a notice of compliance from the directorate. Experience has shown that a competing manufacturer will not normally seek a compulsory licence during the time a drug is in new drug status, for the expense involved would not make such a procedure worth while.

In addition, quite apart from this expense, a competing manufacturer would doubtless have difficulty in interesting the limited number of doctors available who are qualified to do clinical testing in the job of repeating tests on a product, the results of which already would be basically known. For a period of approximately five years, therefore, the original manufacturer or creator of the drug enjoys full protection and can carry out his promotional program in a manner to gain for him maximum acceptance in the market.

I turn now to that other aspect of the bill which proposes an amendment to the Trade Marks Act. The present law is clear that an importer of a trade marked product into Canada may be sued for infringement by the Canadian owner of that trade mark, if the owner is manufacturing in Canada, whether that owner is a subsidiary of a foreign corporation or not and whether or not the product has been purchased by the importer from the foreign parent. This could apply in cases where an importer purchased drugs from a foreign country in their final dosage forms and which were labelled as trade marked products.

• (10:00 p.m.)

The proposed amendment deals with this situation. It provides that no infringement can be claimed where drugs bearing the trade mark of and manufactured by a related company in a foreign country are imported into Canada. For example, when a Canadian subsidiary and its foreign parent sell a drug product under the same trade mark in Canada and the foreign country, the Canadian subsidiary could not sue the importer for infringement when the importer purchases that product from the parent corporation for sale in Canada. This amendment will, however, apply in practice only in a limited number of cases where a wide margin of price disparity would have to occur before it would be worth while for the importer to consider the importing of such a drug as a reasonable business venture.

The Canadian drug manufacturers argue that many drugs, although identically trade marked and put on the market by their related companies in other countries, differ in composition, that their strengths may vary, and that inert substances used in the pill or

capsule form of the drug may alter its efficacy or even cause harm to the consumer. Again, this is a question of safety, and after the debate on C-190 we amended the old bill C-190 to meet this situation. As I stated before, this is the responsibility of the Department of National Health and Welfare; and I would repeat that my colleague, the minister, will explain how this new amendment works.

May I thank hon. members, Mr. Speaker, for allowing me to go on for a few minutes after ten o'clock, and I apologize to them for this lengthy résumé of the principle of this bill and the reasons which lie beneath its introduction. However, the debate under the original bill C-190 was so lengthy and inspired that I considered I would be remiss in my responsibilities to the house were I to make this statement on second reading too abbreviated. My impression has always been that there appears to be needless concern within the drug industry about the effects of the bill. We are merely seeking to make the competitive market work more effectively. I have also had in mind the large number of new honorable members in this parliament, and for their benefit, too, I have elaborated my remarks.

It has now been more than five years since the first recommendations on the high costs of drugs were reported, Mr. Speaker, and even more since it first became clear that drug prices in Canada were among the highest, if not the highest, in the world. I believe firmly that, following all that has been said, and after receiving almost identical recommendations from two commissions and a special committee of this house, we would indeed be failing in our duty as members if we were not to take this action in the public interest, with a minimum of delay.

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, I wonder if the government house leader has any exciting news to give us tonight about the business for tomorrow and Monday?

Mr. Macdonald (Rosedale): Nothing exciting, Mr. Speaker. Tomorrow we will continue, as announced, with the estimates of the Department of National Health and Welfare, and on Monday we shall continue with the bill to amend the Post Office Act, taking the second reading and following stages.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the government house leader if this means that the negotiations of the last two or three hours have come to naught. It is no secret when I say that we have been discussing the possibility of dealing with the Prairie Grain Advance Payments Act tomorrow on the understanding that it would finish tomorrow and that we would deal with the Farm Credit Act on Monday on a similar basis. If there has not been agreement as to the entire package we were discussing, I make the plea that at least we take the Prairie Grain Advance Payments Act tomorrow and have an order of the house tonight that all of its stages are to be concluded by five o'clock tomorrow.

Mr. Macdonald (Rosedale): Mr. Speaker, I would be quite agreeable to having an order of the house that all stages of the Prairie Grain Advance Payments Act be dealt with at five o'clock tomorrow, and that all stages of the Farm Credit bill, which is now before the committee, be dealt with before the close of business on Monday. Perhaps we might have agreement about that.

The Acting Speaker (Mr. Béchard): Is that agreed?

Mr. Horner: No, Mr. Speaker. I agree with the house leader that there is a necessity to pass this legislation, but we believe in taking one step at a time. We agree to there being an order of the house tonight to deal with the Prairie Grain Advance Payments Act tomorrow, with all stages to be completed at five o'clock. That we agree to. Let us take one day at a time.

Mr. Macdonald (Rosedale): I think we ought to deal with both matters. It would be to the advantage of the house.

Mr. Crouse: No, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

PENSIONS—SUGGESTED USE OF COST OF LIVING BASE

Mrs. Grace MacInnis (Vancouver-Kingsway): Two afternoons ago I asked the Prime Minister (Mr. Trudeau) the following question:

> In the review of the various social security and allowance programs which the government is carrying out, will the principle be adopted of basing federal pensions and allowances on the actual cost of living?

• (10:10 p.m.)

In the past there has been no attempt to base pensions and allowances on either the cost of living or the current standard of living. I think both these factors should be taken into account when reviewing base pensions and government allowances in the future. In the past, provision has been made on a basis of political expediency rather than social need.

Take old age pensions. There is not much relation between what it costs to live and what the old age pensioners get. My hon. friend from Winnipeg North Centre (Mr. Knowles) pointed out a few weeks ago that nearly 60 per cent of Canadians 67 years and over have nothing to live on but their old age assistance pension, with the supplementary allowance to $105 a month. That is a large percentage of Canadians 67 years of age and over. The amount of the old age security pension plus the allowance totals $105 a month. Three years ago a committee of the Canadian Welfare Council stated that a single person at that time required $138 a month in order to live. The pension provided today for a single person is $105.

Consider the case of retired public servants. In May of 1967 a joint committee of the House of Commons and the Senate unanimously recommended that their pensions should be increased. My hon. friend from Winnipeg North Centre has made attempt after attempt to get this question dealt with, and on each occasion he has been answered to the effect that the matter is under consideration—which means precisely nothing in terms of action.

Take war veterans allowances: In my own constituency there are many families headed by veterans who scarcely have sufficient resources on which to exist. It is not only a matter of basic food and shelter. Other people are living in a modern way; the pensioners know it, and they are appalled at the manner in which the rising cost of living is leaving them completely helpless because they can do nothing to raise their own standards—standards which depend entirely upon what is done here by the federal government.

As I say, the basis upon which pensions are fixed is wrong in the first place, because the structure depends on political expediency and pressure from outside. In the 11 years between 1957 and 1968, according to government figures, transportation costs have risen by 19.2 per cent, the cost of shelter has risen by 19.3 per cent, the cost of clothing by 22.8 per cent. The cost of health services has risen by 33.3 per cent and the cost of food by 34.6 per cent. Pensions have never kept pace with these increases.

I therefore feel that on the ground of concern for people as well as for the sake of efficiency the government should start from the ground up and see that in future pension rates are determined, first, by what is necessary for a modern if modest standard of living and, second, by the cost of living itself. There should be an escalator clause to provide that when the cost of living increases the amount of a pension or allowance also increases automatically. This has not been provided for even in the payment of old age supplementary payments, which increase by a certain percentage regardless of what happens to the cost of living. There should be an attempt to place these things on a footing of what it costs to live in the light of the general standard of living and the capacity of our country to produce.

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I believe that all the members share the ideal proposed by the member for Vancouver Kingsway (Mrs. MacInnis).

It goes without saying that on the government side it is not always possible to wholly translate one's ideal, one's good intentions into facts, since financial resources are required to implement those programs. Just as the most beautiful woman in the world can only give what she has, so with the government of the nation. The hon. member will surely admit that although the increase in the cost of living has not been checked completely, some corrective measures are being applied.

The old age security paid to 1,300,000 persons is adjusted according to the cost of living index subject to a 2 per cent maximum. The hon. member may perhaps object to the 2 per cent. Some day perhaps adjusting that 2 per cent ceiling may be indicated.

It must also be recognized that since all persons of 65 years of age will receive the pension by 1970, some form of adjustment is being applied in the case of persons of 65 to 70 years of age; this increases the number of pensioners and people who can benefit

from those services. Add to this the new legislation on the minimum guaranteed income supplement by which 735,000 persons profit. In the case of the Canada public welfare program, because it depends on a needs test, the adjustments to the cost of living are automatic.

Needless to say, all the governments in the world are now in the process of planning some co-ordination between their various welfare programs, with a view to covering the whole spectrum of needs and problems. I believe the hon. member will also agree that the Liberal government has been, not only in Canada but also in foreign countries, an inspiration in the field of social welfare.

[*English*]

POST OFFICE DEPARTMENT—DEFICIT ATTRIBUTABLE TO CANADIAN EDITIONS OF U.S. MAGAZINES

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, on Tuesday last something in the order of 18 or 20 questions were addressed to the Postmaster General (Mr. Kierans). To my knowledge not one member has been satisfied with an answer. Certainly no members of this party have received any information whatsoever as a result of the questions put to the minister. I might say that on that particular day the minister stated that he would welcome an opportunity to debate this issue. Why then does he withhold information from members when they request it? He refers to the members on this side of the house approaching this question on a motion. Representations have been made by all members who are concerned with this particular matter and the bill which the minister will be introducing in the house.

Representations have been made such as those of the hon. member for South Shore (Mr. Crouse) and the hon. member for Halifax-East Hants (Mr. McCleave) on behalf of the 33,000 people who receive the Halifax *Herald* through the mails. The minister has flatly refused to provide any information to these members.

• (10:20 p.m.)

The minister has flatly refused to give members any information. He speaks on motions and talks about the fact that 35 Liberal members gathered to make representations. The inference left by the Postmaster General is that he has met with these people and discussed this matter. Not too long ago he referred in this house to the warm reception he received. I suggested at that time it was probably a hot one. I indicate, as did members of the press, in reference to this Liberal caucus, that the minister was probably on the hot seat. There is no reason to believe that matters of departmental responsibility are considered any differently by Conservative members of the house than by the 35 members of that meeting. I suppose this indicates that we can no longer call at least those 35 members trained seals, because at least they have done their duty by bringing this matter to the attention of the minister.

Let me remind the Postmaster General, who is now smirking again, that he enters this house by the same process that every other member enters it, and it is time he began to realize that fact, get off his high horse and get down to business.

Mr. Perrault: That is an unparliamentary inference, and you know it.

Mr. MacInnis (Cape Breton-East Richmond): We have now heard from the competing leader of the government. Having used my privileges, I do not intend to persist in explaining the facts to the satisfaction of my hon. friend here to the right. I will try to stay as close to parliamentary language as this situation permits.

What the minister stated in the house on Wednesday was far removed from the truth, and this fact is supported by *Hansard* at page 1151. He referred to the emotional approach of hon. members on this side of the house, and to his meeting with 35 Liberal members rather than a house committee. However, he did not make his later announcement in the house, but rather went to London, Ontario, and made a statement regarding his withdrawal from his earlier stated position.

His statement in the house was as follows:

> I referred to a particular initiative on the part of some members of the Liberal caucus. I would be quite glad to be invited to any other group or caucus in this house.

And in the next column, almost directly opposite on the same page, I said:

> Since the Postmaster General expressed a willingness to meet with any hon. members who represent constituencies faced with post office problems, and since a number of members have expressed an interest in this offer, will the minister make himself available at five o'clock in my office and, if not, when?

The minister smirked and laughed. It would not be proper for me to invite myself to his office. He asked for the invitation and he was offered one. The next day he came back into the house and made another statement, which was far removed from the truth, regarding this invitation which was offered him. This can be found at page 1210 of *Hansard* for October 16. Let me read part of the last paragraph in the first column, which states:

> —I may say I am meeting continuously with all sorts of bodies but have not as yet received any formal invitation or representations from the members of the opposition.

He said that despite the fact that the day before he was invited to a meeting with a group interested in this particular matter. Does the minister see anything in that to laugh and smirk about, in view of this statement which indicates a complete reversal of what he has said? What does the minister mean by a "formal invitation"? Must I come down to the house in a black tie, or present a formal document through whatever channels the minister decides are proper and formal?

It is time he realized that the members of this house are interested in this matter. They have suggested that he is on a hot seat as a result of his proposed withdrawal from a position he took in the house. He did not make the withdrawal in this house, but went to London, Ontario, to make public a fact which should have been made known to the members of this house. We should receive truthful statements from the minister, rather than complete denials or reversals of what he has said.

I would suggest that the minister adopt in this house an attitude that I understand is very difficult for the Liberals, in their arrogance; that is, he must come around, he must humble himself and stop talking down his nose and taking this attitude with members of the house. He should not come forward the day following this particular incident in the house and completely deny himself.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, this comes rather as a surprise to me. I think most members of the house were witnesses to the invitation. It was not an invitation in the ordinary sense of the word, where two people try to get together and arrange a time that is mutually convenient for a group to meet. It was simply: Will you come at five o'clock this afternoon?—when I had other meetings to attend.

I repeat that I would be very glad if the leader of the hon. member's caucus, whom I understand is the hon. member for Prince Edward-Hastings (Mr. Hees), would extend an invitation. I would be very glad to discuss clause by clause the articles in the bill, exactly as I have been doing, as is the Liberal custom, with the members of our caucus who are interested in this bill and demand explanations of particular articles, their meanings and possible effects. This is what I have been doing.

The 35 members referred to are a constructive group. They are very interested in understanding the bill, in making clear whatever differences they might have and asking if there are other ways in which we could approach the various objectives of the minister. I may say they are tremendously co-operative and have aided me enormously. This is the kind of constructive meeting to which I look forward—not a facetious invitation to "Come up and see me some time."

With reference to my dinner speech in London last evening, I would like to make it quite clear that this was arranged. The people of London invited me last August to be the speaker at their first annual civic dinner. I also have copies of that speech, from which I can prove that I said nothing more there, regardless of whatever interpretation may have been made, than I have said in this house.

I simply want to resume my position. Some weeks ago I made a declaration that the Post Office intended on February 1 to introduce a five day week. Since that time it has been pointed out to me by a number of people that this would have varying effects on different parts of Canada because we are a peculiar nation, geographically speaking; that in certain areas, rural areas in particular, this would have a different effect than in urban areas. A great deal of detail has been gone into, so that I may reconsider this entire position. This has been as a result of the constructive proposals put forward to me. We have not yet reached a decision.

POST OFFICE DEPARTMENT—REPRESENTATIONS RESPECTING WITHDRAWAL OF SATURDAY SERVICE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, by coincidence my question follows rather naturally the concluding words that the Postmaster General (Mr. Kierans) has used in answering the last question, and I hope he will say more when I have had my

few minutes. Yesterday during the question period I asked him whether, since there is no reference in Bill No. C-116 to the stopping of mail delivery on Saturdays, he could tell us under what authority he had made this decision.

The Postmaster General replied, quite properly, that this was under the authority of the powers vested in the Postmaster General. I was aware of this, but as the Postmaster General recognized from my supplementary question, I was trying to make the point that when you get to a matter that concerns people as much as this one does, a minister should be very careful about exercising, without reference to parliament, such authority as he may feel he has.

• (10:30 p.m.)

I have checked, both before and since yesterday, the Post Office Act to try to find under what sections he exercises this authority. I find nothing very specific, although I do find that the Postmaster General shall administer, superintend and manage the Canada Post Office, and that he may do a lot of things. One of the things is, with the consent of the governor in council, to provide for the door to door delivery of mail. I find that he may, as I said, do many other things, one of them, which I suppose he has read a thousand times, being that he may make regulations for the efficient operation of the Canada Post Office. I freely admit that in the absence of any limiting phrases these general rights which are given to the Postmaster General do give him a good deal of latitude.

I suppose it is under this general authority that the previous postmaster general dropped the delivery service in urban areas from twice a day to once a day. Now this Postmaster General proposes to discontinue the Saturday service. By the same token he could go on and cut it down to four, three or one delivery a week. He could have mail delivered in certain cities on Mondays and in other cities on Tuesdays, and so on. I realize that I am stating the ridiculous, but I am doing it to make my point, that even though the Postmaster General can argue that he has the legal authority to make changes of this kind, when a matter is as serious as this one he ought somehow to bring it before parliament.

The Postmaster General keeps telling us that we can discuss this matter when we get to the second reading and further stages of bill No. C-116. I can also anticipate some hon. members raising points of order if we try to do that because there is nothing in bill No. C-116 about the five day week delivery, or anything of that nature.

[Mr. Knowles (Winnipeg North Centre).]

However, in the meantime there is some dialogue between parliament and the Postmaster General with respect to questions that have been raised. We have had that dialogue on the floor and he has had it with the 35 good men and true. He has also had it in the correspondence he received from across the country. I am just pleading with him to go on a step further from the position he had reached when he sat down, just before I got up. He admitted that since he announced the decision that there would be a five day week, commencing on February 1, a lot of matters had to be considered and perhaps that decision will be modified. I am interested to learn that he realizes that this creates a problem in rural areas. I suggest this will also create a problem in many urban areas. If the Postmaster General feels that some deliveries have to be cut down to five days, such as deliveries in business areas for example, I suggest that he reconsider the delivery in home areas and the matter of keeping post offices open on Saturdays.

I might remind him that in some countries of the world some post offices are open 24 hours a day, seven days a week. I do not see the logic of his proposal, bearing in mind that the job of the post office is to provide service.

I suppose it is partly because the Postmaster General has had his quota of strong language from my friend, the hon. member for Cape Breton-East Richmond (Mr. MacInnis) that I am speaking in these more modest terms, or perhaps it is because of my sore throat which keeps me from getting quite so excited tonight. However, I feel very strongly about the changes that are proposed and about the unilateral way in which this is being done, simply by an announcement to parliament. We did not get many promises during the last election campaign but we did get the promise of involvement; the people were going to be in the government of the country. It is not possible to get them all here. We cannot have 20 million people down here; but 264 of us are here, and I think that we should be consulted by this government more than has been the case. I am not going to cite the other things that have happened already in the course of this session. However, I think on this one the Postmaster General ought to reconsider his position.

Before I sit down, I should say I welcome his statement that he is reviewing the matter.

I hope he will be a big enough man to review it all the way if necessary and, if he feels the review leads him to that position, say that the announcement was a mistake and that he will leave the six day service for the people of Canada. The Post Office has a record of service. Let us not spoil it, as some of us think would be the case if this announced decision is put into effect. I am glad to learn the Postmaster General is paying attention to the representations made to him by Liberals and by members of the public generally. I hope he will pay attention also to this representation I make to him again tonight.

Hon. Eric W. Kierans (Postmaster General): I can assure you, Mr. Speaker, that I appreciate the moderate language of the hon. member for Winnipeg North Centre (Mr. Knowles). As he knows, I have a great admiration for him and for his service to the Canadian people, which goes back a long time. I should like to say this, that a five day week does involve a considerable saving in the cost of operation of the post office. It involves also, of course, some disadvantages to some or all sections of the population who expect delivery service. At the same time, I think one can reasonably make a distinction between those who have a real need, let us say, for delivery of their weekly newspaper or Saturay editions of their daily newspaper, and those sections of the population who are not interested in having their mail delivered on Saturday, particularly the business section. We must weigh the advantages against the possible costs. In other words, if one can save $13 million or $8 million by a partial introduction of such a delivery system, is it worth while doing so?

One can always spend whatever one saves when the needs are so many and so pressing in so many different areas, whether they be education or health and welfare. One can always spend money equitably and put it to advantage. The problem, therefore, is how much we will save by a complete cessation of Saturday service; how much will we save by a partial cessation of Saturday service? We have people in the department working on this problem now.

I expect to make a statement on Monday at the second reading stage of the bill. This will give all hon. members an opportunity to debate the soundness of that decision or declaration. As I have said, each member will have an opportunity in the house to interpret the statement, comment on it, applaud it or criticize it.

Motion agreed to and the house adjourned at 10.41 p.m.

HOUSE OF COMMONS

Friday, October 18, 1968

The house met at 11 a.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed Bill No. C-109, an act respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company, without any amendment.

INDIAN LANDS

BRITISH COLUMBIA—PROVISION FOR DISCUSSION AND NEGOTIATION

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-121, relating to Indian lands in British Columbia.

He said: Mr. Speaker, the aboriginal title to lands in British Columbia, tribal and community property and other rights, were never extinguished by treaty, purchase or anything else except in one situation. The purpose of this bill is to give parliamentary recognition to the historical fact that the aboriginal and hereditary ownership of the lands still rests in the hands of the native people of British Columbia, and to give the governor in council authority to enter into discussions and negotiations to see that a mutually satisfactory agreement is reached in this respect, thus solving a problem that has existed for many decades.

Motion agreed to and bill read the first time.

THE CANADIAN ECONOMY

REQUEST FOR WHITE PAPER ON PRICES REVIEW BOARD

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Prime Minister, but before I do perhaps I might be permitted to congratulate him and wish him continued health and every happiness on his birthday.

Some hon. Members: Hear, hear.

Mr. Fairweather: How old is he?

Mr. Hees: Will he tell us that by way of a statement on motions?

Mr. Stanfield: Mr. Speaker, I wish the Prime Minister every happiness as he enters his fiftieth year.

Some hon. Members: Oh, oh.

Mr. Stanfield: The question I ask him is a repeat. I want to make it clear that I am not criticizing the Prime Minister, because I find that as I age somewhat my memory is not as good as it used to be. My question arises from the repeated urgings of the governor of the Bank of Canada for some kind of guide lines relating to inflation, contained again in the speech of last night. Would the Prime Minister indicate when the house might expect the promised white paper relating to the proposed prices review board?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I would be glad to answer this question. I thank the Leader of the Opposition for mentioning my birthday. I was hoping that the occasion would pass unnoticed, because I have never paid much attention to the question of age. I rather thought the same attitude existed on the other side of the house, but I suppose the longer I put off discussing my age, the worse it will get.

My memory has not yet slipped, however, on the point of the white paper on the stabilization of prices, costs and incomes. I had a meeting with the governor of the Bank of Canada this week and we discussed the subject. I was able to finalize in my own mind the action we should be taking on this matter. I think it is fair to speculate that within three weeks such a white paper, or a statement on this subject, will be made by the government.

Mr. Stanfield: I have a supplementary question. Is there no prospect of receiving this white paper before the Minister of Finance presents his budget, as it might be related to the position taken by the minister?

Mr. Trudeau: No, Mr. Speaker. The budget will deal with inflation in the usual way in which fiscal policy is tackled, but our thinking on this kind of stabilization or review board is that inflation has to be attacked by other than budgetary means. In a sense it is unrelated to the budget speech.

Inquiries of the Ministry

Mr. G. W. Baldwin (Peace River): I have a supplementary question, Mr. Speaker. I wonder if the Prime Minister could indicate whether he feels that the introduction of the budget will not make it even more essential to produce the white paper as soon as possible.

Mr. Trudeau: No, Mr. Speaker. I suggest that after the glee with which the budget will be met we might take much more time in introducing this white paper.

Mr. Max Saltsman (Waterloo): I have a supplementary question for the Prime Minister. I wonder whether the Minister of Industry, Trade and Commerce was stating government policy when he suggested he was in favour of a cost board rather than a prices and review board.

AGRICULTURE

TERMS OF REFERENCE OF NATIONAL GRAINS COUNCIL

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Will the minister inform the house now as to the terms of reference of the national grains council?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I think I referred to them yesterday, Mr. Speaker. In the proposed terms of reference we enumerated all the different aspects of the work which the grains council is expected to perform. One, for example, has to do with marketing, another with research, and still another with information. But I think I stated yesterday that everyone at the meeting held two days ago seemed to agree that the main function of the council would be a co-ordinating one, bringing together all the sections of that important industry.

Mr. Gleave: I have a supplementary question. Could we also have some information at the minister's convenience on the proposed method of financing the operations of the council?

Mr. Pepin: This was also studied in Winnipeg two days ago. Different formulas were advanced by the participants at the meeting and by the ministers present and, as I said yesterday, we are now trying to bring all these elements together and provide the participants with a new document which will be subject to their representations.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary question for the minister. Will the national grains council be looking into the problems of western Canada resulting from the severe weather conditions there in trying to find some immediate solutions?

Mr. Pepin: I do not think the council will be created soon enough to allow views to be expressed on the current situation, but definitely the purpose of the grains council will be to analyse, digest and criticize the sometimes conflicting opinions that are advanced by very learned people and worth-while organizations on the interests of the grain industry.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, can the minister say whether it is the intention to give a full time salary or emolument to members of the grains council?

Mr. Pepin: That will be discussed under financing.

[*Later:*]

Right Hon. J. G. Diefenbaker (Prince Albert): I would direct a question to the minister of trade and industry. The hon. gentleman mentioned that the council which is being set up will not be operative or effective, as the case may be, for a couple of months. In view of the serious emergency facing the farmers of western Canada is the hon. gentleman giving consideration to convening a meeting of representatives of the Canadian Federation of Agriculture, the farm unions and municipal organizations to discuss and consider what action the federal government might take to meet this emergency, and to give consideration also to action which might be taken with respect to sales which are going on outside the wheat board of feed grain and the like at inordinately low prices?

Mr. Pepin: Mr. Speaker, this is always in my mind and in the mind of the Minister of Agriculture. We are trying to move both on the short term and on the longer term, the longer term being represented by the creation of the grains council. On the short term I have endeavoured to indicate yesterday and two weeks ago the support we are giving to the Canadian Wheat Board. There is no doubt, however, that the policies with regard to orientations, i.e., should it be hard grain,

softer grain, or concentration on feed grain and so on, are policies that require a good deal of discussion. I thought, and the Minister of Agriculture thought, that the proper place for these debates would be in the grains council, where all sectors of the industry will be represented and where the representatives would have an opportunity to sort of check the value of their own views against the views of their colleagues in the same industry.

Mr. Diefenbaker: Mr. Speaker, I will read the answer. I should like to ask the minister, under the circumstances that this council will not be effective for a couple of months, and in view of the serious situation on the prairies as well as the spirit of desperation among many farmers, whether he will do something now to give these farmers an opportunity to have at least a hope that action will be taken, not two or three months hence but now.

Mr. Pepin: Mr. Speaker, I will read the questions. I was endeavouring to say that efforts are being made now. My colleague the Minister of Agriculture was yesterday and is today involved in consultations of that kind. When we were in Winnipeg the other day—

Mr. Speaker: Order, please.

[*Translation*]

MAPLE SYRUP—REPORTED SURPLUS IN QUEBEC

On the orders of the day:

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I too would like to offer my best birthday greetings to the Prime Minister. I have no questions to put to him for the time being, but I should like to put one to the Minister of Industry, Trade and Commerce (Mr. Pepin).

Has he started negotiating disposal of the Beauce maple syrup surplus of approximately one million pounds? Does the minister expect that it would be possible to sell that production?

Mr. Speaker: I do not know whether that question is particularly urgent but under the circumstances, it might be well to allow the minister to reply.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I was about to say that no one had yet brought the matter to my attention, but now that I know, thanks to the good offices of the hon. member, I shall look into this and endeavour to give him a reply, either personally or in the house.

[*English*]

LABOUR CONDITIONS

CONSIDERATION OF INCREASE IN MINIMUM WAGES

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): I should like to address a question to the Prime Minister. As minimum wages in this country range as low as 80 cents an hour, and the recipients of most minimum wages and their families are required to live in conditions of poverty, will the Prime Minister give consideration to calling a meeting of the provincial premiers to discuss the possibility of raising all minimum wages in this country above the poverty level?

Right Hon. P.-E. Trudeau (Prime Minister): As the hon. member knows, Mr. Speaker, we have arranged for meetings of federal-provincial ministers of finance, health and welfare, and later of prime ministers. The agendas are quite full, and I do not believe that at the meeting of prime ministers we will be able to discuss this particular matter. We are meeting on constitutional matters.

[*Translation*]

While I have the floor, Mr. Speaker, I wish to thank the leader of the Ralliement Créditiste (Mr. Caouette) for his good wishes and tell him that, like Maurice Chevalier, I do not relish the idea of getting old, but I feel better when I think of the alternative.

[*English*]

Mr. Hees: May I ask a supplementary question. In view of the Prime Minister's reluctance to take any action or to give leadership in this regard, are we to take it the just society envisages built-in poverty?

NATIONAL DEFENCE

NATO—REPORTED INCREASE IN MILITARY BUDGET

On the orders of the day:

Hon. J. A. MacLean (Malpeque): I have a question for the Secretary of State for External Affairs, but in his absence I will address it to the Prime Minister. My question arises out of reports that the military budget of NATO is to be increased to the sum of $172.8 billion for the next five year period. Will the Prime Minister say what representations, if any, have been made to Canada to increase its financial contribution to NATO?

Right Hon. P.-E. Trudeau (Prime Minister): I wonder if the hon. member would mind

asking this question of the minister when he is in the house?

Mr. MacLean: I have a supplementary question which perhaps may also be passed on to the Secretary of State for External Affairs. Since the house and the country have been waiting for several weeks now for a clear statement of the government's position with regard to NATO, and such a statement has been promised both by the Prime Minister and the Secretary of State for External Affairs, can we now be given assurance that such a statement will be made without further delay on the return of the Secretary of State for External Affairs and the Minister of National Defence to the house?

Mr. Speaker: The hon. member for Dauphin.

Mr. MacLean: I should like to say further, Mr. Speaker, that since this statement has been promised by the Prime Minister on several occasions, he might like to make some reply.

Mr. Trudeau: As I have told the house, Mr. Speaker, the question of the review of our defence and external policy is under way. It is not envisaged that in the immediate future we will have any announcement to make. Once again, the Secretary of State for External Affairs will be in the house next week, when the hon. member will be welcome to ask him any questions.

TRADE

BARLEY—REPORTED LOSS OF MARKETS IN FRANCE AND AUSTRALIA

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): I should like to address a question to the Minister of Industry, Trade and Commerce. What action will the minister take in view of the almost complete loss of our traditional barley markets in France and Australia in the past six months, reportedly as a result of the rigid pricing policy of the Canadian Wheat Board?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I cannot declare war on France; that is one thing I cannot do.

An hon. Member: What about your prayers?

Mr. Pepin: The barley market is one in which competition exists. As I said yesterday in answer to a question, we are trying to help by every means available to improve the position of the wheat board in that competitive race around the world for wheat and barley markets. I mentioned yesterday that one of the important marketing factors was credit terms, and we are trying to improve upon that as well.

FROZEN COD FISH—LOSS OF U.S. MARKET

On the orders of the day:

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is in a way supplementary, and it is directed to the Minister of Industry, Trade and Commerce, whose day this seems to be. Will the minister tell the house what trade initiatives either his department or the government are taking to offset the serious decline in the Unitd States market for Canadian fish, with the disastrous consequences this is having on the industry in Canada?

Mr. Speaker: I recognize the importance of the question asked by the hon. member, but I suggest to him that perhaps what he would want the minister to do is to make a statement on motions rather than give a general statement on policy at this time.

Mr. McGrath: With great respect, Mr. Speaker, this is a very urgent question. The Fisheries Council of Canada will be meeting in Ottawa on Monday and this is a serious topic that the council will have under discussion. Perhaps the minister will give consideration to making a statement on the matter on motions on Monday.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, may I inquire whether my hon. friend is referring to his favourite subject, which is Greenland halibut, or is he referring to fish in general?

Mr. McGrath: Mr. Speaker, I am referring to fresh frozen cod fish generally.

Mr. Pepin: In that case, the question being so wide, Mr. Speaker, I will take it as notice.

[*Later:*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, perhaps I should address this question to the Minister of Industry, Trade and Commerce as a supplementary to the question asked by the member for St. John's East. With regard to the question concerning the frozen fresh fish market in the United States, can the minister give some assurance that this question will result in a statement on Monday prior to the meeting of the fisheries council?

Mr. Pepin: Yes.

Mr. Lundrigan: I did not catch the answer.

Mr. Pepin: Yes, I will give it a try.

PUBLIC BUILDINGS

OTTAWA—REPORTED DELAY IN OPENING OF NATIONAL ARTS CENTRE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not want to reiterate what has been said, but after the very generous words which were expressed by the Prime Minister one month ago today I am happy to tell him sincerely how glad I am that he is in such good health. May I also congratulate him on his birthday and affix thereto a question.

May I ask the Prime Minister whether he can now advise that the opening of the national arts centre has been postponed from its original date of opening, so that he will be in his fifty-second year before the centre is opened; and may I ask him whether the delay in this regard is due to the fact that it will be necessary to secure further supply in the 1968-69 year before the alterations that are now being made to that building can be completed?

Mr. Speaker: Order. I am not sure whether the question is urgent, but since this is the Prime Minister's birthday perhaps he should not be deprived of an opportunity to answer the question.

Right Hon. P.-E. Trudeau (Prime Minister): Thank you very much for your kind gift, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Trudeau: On the question of the arts centre may I say I have had no news that the opening will be delayed, as the right hon. gentleman mentions. The Secretary of State is not in the house today, so I will call this question to his attention. The last I heard was that the opening would take place as scheduled and that there would be no difficulty.

May I also thank the right hon. gentleman for his good wishes. I am not an Indian chief or a long experienced and respected member of the house, but I am sensitive to the good wishes which have been addressed to me by the right hon. gentleman. I might add, Mr. Speaker, that I do not mind when the gentlemen of this house call attention to my age, but I do hope the ladies will not notice it too much.

Mr. Diefenbaker: Mr. Speaker, I should like to direct a supplementary question to the Prime Minister. Is it not a fact that a few months ago when the Prime Minister visited the Stratford festival the same question was asked of him by various artists who were doubtful as to the reason for the postponement of the opening of the centre? Is it also not a fact that it was said, after an aide had left to get the information, that one of the reasons for the delay was that the necessary supply had not been voted?

Mr. Trudeau: Mr. Speaker, perhaps as the hon. Leader of the Opposition said a moment ago, my memory is failing. I have no recollection of this, Mr. Speaker.

AIR TRANSPORT

NEGOTIATIONS RESPECTING FLIGHTS TO MOSCOW

On the orders of the day:

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to direct a question to the Minister of Transport. It concerns the flying schedule of Air Canada to Moscow. Since both Air Canada and Pan Am now leave for Moscow less than two hours apart on the same evening, making it difficult for either air line to make the route pay, is Air Canada negotiating with Pan Am to bring some order to this senseless situation?

Mr. Speaker: Order. I would think that question might be placed on the order paper.

[*Translation*]

HEALTH AND WELFARE

ALCOHOLISM—FEDERAL PARTICIPATION IN STUDIES

On the orders of the day:

Mr. André Fortin (Lotbinière): With your permission, Mr. Speaker, I shall put a question to the hon. Minister of National Health and Welfare.

Can he tell us whether any division of his department is considering now or will consider in the near future the possible participation of the federal government, at the information level, in the serious problem of alcoholism in Canada?

Mr. Speaker: I think that the question of the hon. member could be placed on the order paper.

Inquiries of the Ministry

[*Later:*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the hon. Minister of National Health and Welfare.

Yesterday, he told us in a speech that the question of hallucinogens would be on the agenda of a future federal-provincial conference. Could he tell us whether alcoholism, which is becoming a national problem, will also be on the agenda.

I see that the minister is prepared to answer, Mr. Speaker.

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): It is not specifically on the agenda for discussion, although it may be introduced by interested parties from the provinces.

[*Translation*]

EXTERNAL AFFAIRS

REPORTED REPLACEMENT OF CANADIAN AMBASSADOR TO FRANCE

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

Could he tell us if it is the government's intention to replace in the near future our Canadian ambassador in Paris and to appoint Mr. Leger to the position of Under-Secretary of State?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I shall be prepared, next week, to make an announcement on this matter.

[*English*]

TRANSPORTATION

COMMITTEE HEARINGS TO ESTABLISH RAILWAY COSTING FIGURES

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question I wish to direct to the Minister of Transport. Will the minister intervene in the present hearings being held before the railway transport committee to establish a rail costing formula in order to lift the cloud of secrecy hiding railway costing figures, secrecy that is preventing the provinces from preparing a proper case for the railway transport committee hearing?

[Mr. Speaker.]

Hon. Paul Hellyer (Minister of Transport): I am not sure, Mr. Speaker, whether I have any right to intervene, but I shall be glad to bring my hon. friend's representation to the attention of the president of the Canadian Transportation Commission.

Mr. Robert McCleave (Halifax-East Hants): A supplementary question, Mr. Speaker. May I ask the Minister of Transport whether he has yet received the report of the Canadian Transportation Commission dealing with less than carload rates in Atlantic Canada. If so, when can action be taken thereon?

Mr. Hellyer: Mr. Speaker, to my knowledge I have not yet received this report.

Mr. Robert C. Coates (Cumberland-Colchester North): A supplementary question, Mr. Speaker. Can the minister give some indication to the people of the Atlantic provinces when we are to have some action from the minister's committee in the field of transportation? We are certainly fed up with the lack of action.

Mr. Speaker: Order, please.

[*Translation*]

COMMUNICATIONS

CANADIAN MISSION IN FRANCE RESPECTING SATELLITE RESEARCH

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, my question is directed to the right hon. Prime Minister.

Could he tell the house whether a delegation of federal officials is now in Paris trying to prevent an agreement in the field of communication satellites between the province of Quebec and France?

Right Hon. P.-E. Trudeau (Prime Minister): Certainly not, Mr. Speaker. The question, as the Prime Minister of France said concerning another subject, is perfidious.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister.

Could he tell us if a mission is now in Paris to discuss satellite communications between Canada and France?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I can answer the question.

There is such a mission whose object is simply to contact people interested in communications, either in France, Belgium or in other European countries.

[*English*]

[*Later:*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is for the Prime Minister, from one forty niner to another. Considering the great importance and possible implications of the discussions now in progress in Paris between the officials of France and Canada in respect of the telecommunications satellite, will the Prime Minister ask one of the ministers to make a statement on motions at an early date on this pretty important matter?

Mr. Trudeau: Mr. Speaker, if a statement is made it will likely be made by the Postmaster General, who will be the minister responsible for communications. I will gladly discuss it with him.

POST OFFICE DEPARTMENT

DISCUSSIONS WITH NEWSPAPER REPRESENTATIVES ON PROPOSED CHANGES

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a question to the Potsmaster General which arises out of a question I directed to the Prime Minister yesterday. I asked the Prime Minister whether the heads of certain daily and weekly newspapers have asked to meet him and discuss the questions of the cut off of service and the increase of rates. Yesterday morning the Prime Minister said those people had seen you. If they have contacted you, could you say what decision you have come to?

Mr. Speaker: Order, please. I must remind the hon. member that questions ought to be addressed to the Chair.

Mr. Woolliams: I will address the question through you, sir. Have you seen the heads of these newspapers with regard to the matter I have just raised?

Mr. Speaker: I must tell the hon. member that I have not seen the people he has referred to.

Some hon. Members: Oh, oh.

Mr. Woolliams: Mr. Speaker, may I ask the Postmaster General whether he has seen the heads of the daily and weekly newspapers I referred to, and has he told them that the service is to be continued as it is today and that there will be no increase in rates?

Hon. Eric Kierans (Postmaster General): Mr. Speaker, I thank the hon. member for his question. I was beginning to feel a little neglected today. I met with the representatives of the Quebec daily newspapers association yesterday morning for about one hour and a half, and I think a summary of this meeting appeared in various newspapers today. Last evening I met for about one hour and three quarters with the president and general manager of the Canadian daily newspapers association, and I listened.

Mr. Woolliams: I am happy that the Postmaster General listened. Having listened, has he reached any conclusion with reference to the submissions presented to him during those interviews?

Mr. Kierans: I think the debate on this bill begins on Monday, and I hope the hon. member has enough patience to wait until then.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to ask the Postmaster General a supplementary question.

About the motion to adjourn the business of the house which was introduced yesterday in his absence, can the minister tell us if he intends to reconsider the decision he made known to us in his letter of October 10 with regard to his intention to set new postal rates starting November 1, thus altering the franking privileges enjoyed by the members of the house and the Senate? Can he give us an answer today?

Mr. Kierans: Mr. Speaker, I will make a statement on second reading and then we can discuss whether such a statement is justified.

[*English*]

Mr. G. W. Baldwin (Peace River): As the minister seems alarmed at the prospect of a parliamentary committee examing this question, would he have any objection to his officials appearing before a standing committee at the time their estimates are being considered, which could well be contemporaneous with the introduction of the bill?

Mr. Kierans: I have no objection to discussing this bill nor the principles underlying the policies of the department, but I would think the normal place to do this, the place which

would give the opportunity for the fullest discussion, would be in committee of the whole.

Mr. Woolliams: The minister has had these long interviews and listened to these representations. Would he consent to these people appearing before the standing committee so they could air their views and in order that hon. members might be well informed and placed in a better position to discuss this unusual bill when it comes before the house?

Mr. Kierans: I have no doubt at all that the people who have made representations to me have also made representations to hon. members opposite, who are well aware of their nature.

Mr. Barry Mather (Surrey): Bearing in mind the vigorous press campaign against the proposed increase in second class rates, can the minister assure us that he intends to stand firm on this point and make the newspapers pay their way?

Mr. Kierans: I am glad to receive that expression of support from the hon. member opposite.

INDIAN AFFAIRS

BRITISH COLUMBIA—COURT DECISION RESPECTING LEASED RESERVE LAND

On the orders of the day:

Mr. Frank Howard (Skeena): In the absence of the Minister of Justice, the Solicitor General, the minister responsible for Indian affairs and the hon. member for Port Arthur, who is Minister without Portfolio, I should like to direct a question to any acting minister who may feel he has authority in the following urgent circumstances, and ask him whether the government has knowledge of an important decision by the supreme court of British Columbia that Indian reserve land surrendered for lease is no longer considered to be reserve land as such, and is lost to the Indian people. Is it intended to take any action to correct this injustice?

Right Hon. P.-E. Trudeau (Prime Minister): The three ministers mentioned by the hon. member are not scheduled to appear in the house today according to the roster, but I am sure they will be pleased to receive the question when they are here.

[Mr. Kierans.]

EXTERNAL AFFAIRS

APPLICATION OF 12 MILE FISHERIES LIMIT TO ST. PIERRE AND MIQUELON

On the orders of the day:

Mr. James A. McGrath (St. John's East): My question is addressed to the Prime Minister. In the light of an indication yesterday in a speech by the Minister of Fisheries that he was advocating an extension of the 12-mile fishing limit, may I ask how the right hon. gentleman reconciles this proposal with French sovereignty over the islands of St. Pierre and Miquelon?

Mr. Speaker: Order. The question asked by the hon. member appears to be argumentative.

Mr. McGrath: But Your Honour, this speech was made yesterday at Boston by the Minister of Fisheries, and it concerned the 12-mile limit. Some doubt exists in the minds of Canadians, particularly on the east coast, as to whether the French islands of St. Pierre and Miquelon would be within the proposed new limit, and I would redirect my question to the Prime Minister and ask him how the government reconciles this new policy with French sovereignty over the islands mentioned.

Mr. Speaker: The Leader of the Opposition.

Mr. Lloyd R. Crouse (South Shore): I wish to protest on a point of order. In 1964 the government of this country passed legislation establishing a 12-mile limit for Canada. This was done to preserve certain fishing areas including areas in the gulf of St. Lawrence and the bay of Fundy. At the present time our fishing industry on the east coast is going through a difficult period of readjustment. There is a shortage of fish, and implementation of this decision would help establish conservation areas for the fishermen of Canada. I would ask the Prime Minister—

Mr. Speaker: Order, please. The Leader of the Opposition.

FINANCE

REPORTED WARNING RESPECTING COST OF JOINT PROGRAMS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): The President of the Treasury Board is on the roster today and must not feel neglected. I wonder whether he is in a

position to answer a question he has been asked previously, namely whether he has been in touch with the province of Ontario with a view to making public any communication from that province calling into question the accurancy of the federal estimates for the current year which were tabled last November, relating in particular to the federal share of the joint cost programs.

Hon. C. M. Drury (President of the Treasury Board): I have made inquiries and the answer as to whether there was a formal warning would have to be clarified. I hoped to be able to present a somewhat lengthy statement outlining all the facts but was unable to agree on a procedure for doing this. As the estimates of the Treasury Board are to be called this afternoon, perhaps this will provide a suitable occasion.

Mr. Knowles (Winnipeg North Centre): But it is health and welfare today.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—REPRESENTATIONS FROM N.B. PREMIER

On the orders of the day:

Mr. Charles H. Thomas (Moncton): My question is for the Prime Minister; it is prompted by the information that Premier Campbell of Prince Edward Island and his cabinet are coming to Ottawa to press for the construction of the Northumberland strait causeway. Can the Prime Minister advise us whether he is receiving representations from Premier Robichaud in connection with this important project?

Mr. Speaker: I doubt whether the question as asked is in order. The hon. member asks whether representations have been received, and I suggest that in those terms the question is not in order.

HOUSING

REQUEST FOR CONFERENCE ON ASSISTANCE TO MÉTIS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is for the Minister of Transport. Is the minister now in a position to say whether the government has any plan to confer with the provinces in respect of the setting up of joint financial assistance in the field of Métis housing?

Hon. Paul Hellyer (Minister of Transport): This question is under study. As my hon. friend is aware we already have an arrangement with the province of Saskatchewan. One is under review at the moment with the province of Manitoba. This is a problem which is being given active consideration, and plans are moving forward.

Mr. Simpson: Can the minister say how long he believes it will be before the plan is finalized so some action may be taken?

Mr. Hellyer: I cannot say, but I shall be glad to inquire and let my hon. friend know.

COMMONWEALTH RELATIONS

RHODESIA—SUGGESTED GUARANTEE OF AFRICAN RIGHTS

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I should like to ask the Prime Minister whether Canada has been approached to join with Australia, Britain and Rhodesia in a four-nation treaty with the object of guaranteeing African rights in Rhodesia, and whether Canada would react fabourably to such a proposal.

Right Hon. P.-E. Trudeau (Prime Minister): I know of no such representation. I would have to ask the Secretary of State for External Affairs.

HARBOURS

ROBERTS BANK, B.C.—LEGAL OPINION RESPECTING FEDERAL JURISDICTION

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, some little time ago I asked the Minister of Transport whether a definitive opinion was being sought in respect of federal jurisdiction in the Roberts Bank affair. Is he now in a position to say whether that decision has been given, what it is, and what action may be expected?

Hon. Paul Hellyer (Minister of Transport): We have asked for such an opinion from the legal officers of the crown, but it has not as yet been received.

Hon. Robert L. Stanfield (Leader of the Opposition): Will the Minister of Transport say whether the chairman of the National Harbours Board was stating the minister's policy and that of the government when he

said the federal government cannot provide any major developments to handle containers and unit trains at any particular port until the shipping companies make a decision concerning which port they wish to designate for international container traffic?

Mr. Speaker: Order. The minister may wish to answer the question, but it is not quite within the rules. It is in order to ask whether statements made by ministers outside the house are in accord with government policy, but it is not in order to ask whether statements made by officials are in accord with government policy. In any event I might allow the minister to answer the question.

Mr. Stanfield: The justification for the question is its extreme urgency.

Mr. Hellyer: I have not seen the statement by the chairman of the National Harbours Board to which my hon. friend refers. I would not like to make any comment until I have seen it. There certainly is a relationship between the provision of facilities and the demand for their use.

Mr. Stanfield: Has the minister or the government given any undertakings to any of the shipping conferences or any foreign shippers which would ensure their confidence in Canada's ability and intention to meet the requirements of international container traffic?

Mr. Hellyer: In general I would say we would assure all shippers that we will make an effort to provide the facilities necessary to facilitate the movement of goods in the most economical manner. If my hon. friend has a more specific case in mind I would be glad to look into it.

BUSINESS OF THE HOUSE

REQUEST FOR ORGANIZATION OF TRANSPORT COMMITTEE

On the orders of the day:

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, while the Minister of Transport is still here, and on the days when he will not be here next week, will he use his good offices to discuss with the acting house leader the organization of the committee on transport and communications, which committee could define many of the problems about which he has been asked?

Hon. Paul Hellyer (Minister of Transport): I am sure we will have the full co-operation of the house leader in this connection.

[Mr. Stanfield.]

SHIPPING

CHURCHILL—INQUIRY INTO EXTENSION OF SEASON

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, is the Minister of Transport now in a position to indicate whether the study of which he spoke on December 13 with regard to extension of the season at Churchill is now available and will be made public?

Hon. Paul Hellyer (Minister of Transport): I would have to take that question as notice. I am not sure whether it falls into the category of public documents.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Finance. In view of the minister's long, strong personal record of support for increases in the pensions of retired civil servants, can he say whether this matter is actually under consideration by the government of which he is now a member?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have nothing to add to the answer I gave to a similar question a very short time ago.

Mr. Knowles (Winnipeg North Centre): Since the answer was that the matter is under consideration, will there be an anouncement about this matter at an early date?

Mr. Benson: Probably in due course.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the right hon. Prime Minister. May I join with others in wishing him happy birthday. In view of the absence all this week of the Minister of Defence Production would the Prime Minister give the people and the employees of Fairey Aviation in Canada some assurance that this company will not go down the drain before the minister gets back to work?

Mr. Speaker: Order.

• (11:50 a.m.)

SUPPLY

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

The Deputy Chairman: Order, please. The house again in committee of supply, revised estimates of the Department of National Health and Welfare for the fiscal year ending March 31, 1969. Vote 1 will be found at page 340 of the blue book. The details thereof are listed at page 343.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

1. Departmental administration including recoverable expenditures on behalf of the Canada Pension Plan, and $500,000 for health grants and welfare grants, under terms and conditions approved by the Treasury Board for research and demonstration activities in the field of mental retardation, $4,466,000.

Mr. Munro: Mr. Chairman and members of the house, this parliament and its predecessors have charged the Department of National Health and Welfare with responsibility for promoting, preserving and improving the health, social security and social welfare of all Canadians. The five years that ended in 1967 saw the introduction of new, major programs such as the Canada Pension Plan, the Canada Assistance Plan, medicare, the health resources fund, the guaranteed income supplement and youth allowances.

These estimates for the fiscal year 1968-69 which are now before the committee do not contain additional moneys for new programs, other than the first fragments under medicare, but rather additional moneys for the improvement and extension of current programs. At $3.2 billion they are 26.3 per cent of the comparable federal government expenditures forecast for this same year, a true indication of the emphasis which this government places on programs designed to improve the health and well-being of the Canadian people.

This $3.2 billion has three major components: $1.6 billion for forecast expenditures from the non-budgetary old age security fund; $1.5 billion for budgeted statutory items, and $133 million to be voted by parliament. These show an increase of $403.2 million of 14 per cent over 1967-68. By major component they are: a $149 million or 10 per cent increase in payments from the old age security fund; a $253.8 million or 20 per cent increase in budgeted statutory items, and a $1.4 million or 1 per cent increase in voted items.

The $149 million increase in payments from the old age security fund reflects the lowering of the eligibility age to 67 on January 1, 1968 and to 66 on January 1, 1969.

The $253.8 million increase in budgeted statutory items includes: a $136.4 million increase in hospital insurance reflecting an increase in both outpatient and inpatient rates as well as a net increase in population; a $91.9 million increase for the Canada Assistance Plan which is due to a greater utilization of the plan by the provinces for such items as increased costs of institutional care for both adults and children, improvement in child welfare programs and increases in foster home payments for children. It also includes an extension of health services for persons in need, plus improvements in the level of benefits.

There is also a $35 million increase to provide the federal share of costs under medicare; a $7.5 million increase in funds required by the provinces from the health resources fund; a $2.2 million increase in payments under the youth allowances program which reflect both the effect of high birth rates in the early 1950's and the fact that a large proportion of youths are continuing their education beyond age 16; an $11.2 million decrease in old age assistance reflecting the reduction in the eligibility age for payments from the old age security fund; and a $9.8 million decrease in blind persons and disabled persons allowances reflecting the transfer of payments under these categorical programs to the Canada Assistance Act.

The $1.4 million increase in voted items includes: a $1.8 million increase in the cost of operating the medical services program which reflects a general increase in most activities of the program; a $1.4 million increase in the cost of providing food and drug services which reflects a further strengthening of the inspection and enforcement activities basic to its program; a $1.5 million increase in family assistance payments reflecting a forecast increase in the number of immigrant children not eligible under the family allowance programs; a $1 million decrease in the health services program reflecting mainly the phasing out of further additions to the emergency health services medical stockpiling program, and a $2 million decrease in the hospital construction grants program reflecting a lowering of payments against construction in the year. I would point out that while the forecast payments

have decreased, the funds required for commitment to projects has increased by $4 million.

In the foregoing analysis I have attempted to highlight significant changes in the department's proposed expenditures for 1968-69. I stated at the outset that these estimates did not contain additional moneys for new programs but rather additional moneys for the improvement and extension of current programs. Examples of this are to be found in the Canada Assistance Plan, where agreements have been entered into with all provinces under part 1 of the plan the part which covers assistance and welfare services for the general public. Negotiations have also been carried on with the Yukon and Northwest territories to enter into such agreements. Provision is made under part 2 of the plan for the federal-provincial agreement to cover the extension of the provincial assistance and welfare services program to Indians living on reservations, crown lands or unorganized territory. Active negotiations have been carried out on this matter with all the provinces. Although no agreements have yet been signed, the final stages of including an agreement under part 2 of the plan with the province of Ontario are at present under way.

Provision is made under part 3 of this act for contributions toward work activity projects that are designed to benefit persons who have unusual difficulty in obtaining or holding employment or participating in training or rehabilitation programs. Considerable discussions have been held with the provinces and to date six have signed agreements under part 3. Another example of improvement and extension of existing programs that falls under the Canada Pension Plan is the payment of survivors' benefits which started for the first time in February of this year. Payment of disability pensions is scheduled to come into effect early in 1970 and all planning in the area of survivors' benefits has been carried out jointly with the Quebec Pension Plan. Further planning and organization in relation to the administration of disability pensions will proceed on schedule in order that the payment of these pensions may be made, in accordance with the act, in 1970. One last example, Mr. Chairman, is the Indian health activity of medical services. Members of this committee are aware, from previous statements in the house, that the resources required for Indian health will be provided.

[Mr. Munro.]

• (12 noon)

There are many other areas of the department's operations where improvement or extension of services is being actively pursued. Rather than continuing at length on each, I cite these three examples and leave it to individual members of the committee to pursue, as I am sure they will, those programs which hold special interest for them.

Mr. Woolliams: Mr. Chairman, I would like to ask the minister a question. Before we begin an examination of the estimates of the minister's department, can he tell us whether any really serious consideration has been given to financial priorities in respect of the programs which come under his department, and in particular to increasing the old age pensions of those people across the nation who are in dire need? I believe this is one of the most important things facing the government today.

Mr. Munro: Mr. Chairman, I am sure the hon. member is well aware of all the measures we have taken during the last two or three years to improve the situation of these people. We have increased the old age pension, and we have tied it to the cost of living index. There is the guaranteed income supplement under which we have provided an additional $30 to those people who can show they do not have an adequate income, bringing the total pension up to $105. When the increase based on the cost of living is counted it is higher than that. I think we have moved forward very strongly in this area in order to help these people, but for the forthcoming year this is not one of our priorities.

Mr. Woolliams: I thank the minister for his frankness.

Mr. Rynard: Mr. Chairman, first I should like to congratulate the minister upon his appointment and say to him that he has a department that spends a tremendous amount of money. I believe the spending by his department is next to that of the defence department. The Department of National Health and Welfare is responsible for many growing, open-end programs. I realize that costs tend to increase when carrying out such programs.

The cost of the medical insurance plan operating in the province of Ontario is increasing at the rate of $2 million per week, or an increase of $1 a month for every man, woman and child in the province. This gives us all a great deal of cause for concern. Where does it

stop? When do we reach the point of being unable to provide these services? Somewhere along the line will the government have to say that they have to put off essential services or have to put off a program with top priority, such as education in our medical schools and universities?

I believe my own profession should take a look into the future. When I say this I am fully aware of the tremendous advances that have been made in research by doctors. Their long and patient hours of tedious work have benefited mankind beyond anything I can say. This has been a tremendous century of medical progress. Prior to 1900 comfort, solace and the strengthening of the patient's will and determination to get well was the big asset of a doctor. I believe it was Osler, the great teacher, who cited the case of the footman who cured his pneumonia in a stable without medical care. That was around 1900.

We did have vaccination prior to this century, and today we have an armament of vaccines, toxoids and injectables to prevent and cure disease. We also have antibiotics for curing diseases, thus saving millions of dollars to the economy. I do not know whether anybody has estimated the actual amount saved because of these wonder drugs. A great many people have been restored to health and returned to work because of them. Millions of people who are living, working and contributing to the economy would not be alive without the medical discoveries of this century.

We are now in the era of organ transplants. This is comparable to placing a man on the moon, and it is tremendously expensive. Osler, to whom I have already referred, used to say that pneumonia was the old person's friend; it was a blessing in disguise because in a few days the suffering from all life's ailments was over. Today antibiotics, diuretics and oxygen are given, and soon the patient is better. The point is that today millions of people are living who a few years ago would have passed on. Today these people are with us, some of them living an enjoyable life and some even working. Some require further chronic care.

I have noted that in 1967-68 the estimate for hospitalization and diagnostic services was $423 million. That is to be found at page 355 of the revised estimates. For 1968-69 the estimate is $560 million, an increase of $71 million. I also noted that in the budget white paper the figure for 1968 is $468 million and for 1967, $397 million. An increase of $71 million represents just under 20 per cent. This is a shared program with the provinces, and taking the budget paper figures this means in effect an increase to the federal government of approximately $87 million, to the provinces another $87 million, and to the public who pay about one-third, another $87 million. It is an increase, as I have said before, of about 18 per cent. The likelihood is—and this is something one should keep in mind—that this amount will increase faster than our gross national product. Over the years we have seen the figure increase by 15 per cent and 16 per cent; yet governments continue to estimate the increase at 7 per cent. To my mind this is completely unrealistic.

The point I am making is that the older we get, the more hospital beds we use and the more physician's care we need. This increases the cost of medicare. As a matter of fact, after the age of 35 the rate of illness starts to climb. From one year to 35 years the most common cause of death is by accidental means. Prior to the advent of scientific discoveries in this era there were far more deaths by illness from the age of one year to 35 years because of motor car accidents, motorcycle accidents, drownings, and so forth. Today these accidents kill over 5,000 people a year in Canada and mean that one hospital bed in ten is occupied by an accident victim.

This is a real challenge to all of us because we should be able to cut down the accident rate. If we can do this, many more beds will be available in our hospitals. Every effort must be made by the government to cut down the accident rate. Action must be taken by the federal, provincial and municipal governments to solve this problem. As I have already said, from age 35 on illness and medical care increase. By the age of 50 one person in ten has some cardiovascular disease, and cancer takes a frightening toll.

• (12:10 p.m.)

The one way in which we can reduce the requirement for hospital beds is by preventing accidents. This means that more research is necessary to find the causes of accidents and prevent them. The present government is niggardly in its financial assistance for research, and only one-tenth of what is spent in the United States for this purpose is spent in Canada. This also means that our bright young graduates who wish to go into research do not have the job opportunities in Canada, so they simply go across the border. This is the most penny wise and pound foolish policy

we could devise. In my own profession of medicine it costs $50,000 for each young graduate to go through medical school, to say nothing of what it costs to raise them to the age at which they are ready to go to medical school.

Hospital and diagnostic services schemes are a decade old and their cost is rapidly increasing. I am sure the minister is as concerned about this as I am.

Another thing which concerns me greatly is the sharp difference in costs among the provinces. I wonder what the reason for this is. The daily cost per bed in Quebec is $47.53 while in Saskatchewan the cost is $42. In large metropolitan hospitals the daily cost per bed is $69 in Quebec and $48 in Ontario. There is probably some explanation for this divergence but I would like to know the reason for it. In 1965 physicians' services cost $545 million, while in 1968 they were estimated at over $800 million, an increase in the three years of nearly 50 per cent. Fee schedules did not increase that much, but there was a sharp increase in referrals, X-rays and diagnostic tests. The immediate question which comes to one's mind is whether this is not partly due to new equipment, to the fact that we are making diagnoses which we were not able to make before and are utilizing new equipment to a larger extent in this scientific age.

The question arises whether or not there is overutilization of services. This opinion has been voiced. This is something that the Minister of National Health and Welfare should take up with the provinces and discuss with the ministers of health in every province to find out whether the increase in costs is wholly due to the scientific upsurge or whether there is an overutilization of medical services. It has been stated by a previous minister of national health and welfare that the incomes of doctors could go up by as much as 20 per cent as there would be no bad accounts. I think it was Mr. Douglas, the former member for Burnaby-Coquitlam in the last parliament, whom we all miss here—

Mr. Knowles (Winnipeg North Centre): He will be back.

Mr. Rynard: —and who was first to bring in hospitalization and diagnostic services in any province, who stated that in Saskatchewan utilization went up by 25.5 per cent. It appears to me that with the advent of medicare there will be an increase all across the country and I wonder how well prepared we are for it.

[Mr. Rynard.]

Do we not have too many open-end programs whereby large amounts of money are spent as a result of which we will have to cut down on research or other programs which are not so noticeable? This will result in great harm being done to medical training and scientific research. We must give much thought to this matter because I am sure everyone in this house realizes that there is only so much money to be spent, and there comes a point beyond which people cannot be taxed.

Let me come back to what I said before, that doctors must take a close look at this whole matter and give serious thought to the future. This also applies to hospital administrators, hospital boards and, above all, governments which will be taxing the public. If these open-end programs cost too much, some essential services may well suffer as a result. We do not want to find ourselves in a situation where the government will lay down the rules and stifle incentive. Therefore I suggest that every avenue should be examined, including hospital costs, hospital administration and hospital construction.

I am sure the Minister of National Health and Welfare realizes that in 1958 the Conservative government doubled the grant per bed for hospital construction. I think it is a shame that with all the growth in our gross national product the figure is still $2,000. I say it is time to wake up. The minister should take a close look at the costs of hospital construction together with the health ministers of the provinces and the municipalities where the hospitals are being built. The cost is several times what it was ten years ago.

Most probably we will not be able to make any significant cut-backs with regard to active treatment beds. However, I also believe that when a patient reaches a certain point in his convalescence he could be transferred to another part of the hospital which is not equipped with all the new scientific apparatus and could be cared for there for half the cost. A few weeks ago I was south of the border and I visited some hospitals and saw there motels where patients were transferred after recovering sufficiently following an illness or surgery. This is cheaper than keeping them in hospitals. These motels are staffed by nurses aides, which also cuts down on the cost. I am sure this could be considered here.

Another matter which has concerned me is why the federal government has not given more grants in the field of mental health. I do

not think there is one province which has been given assistance in the capital construction of mental hospitals. Yet we find that 50 per cent of all hospital beds in Canada are occupied by mental patients. The very fact that medicine has moved into the ultrascientific field makes the equipment for first class care particularly expensive. No one denies this and I believe everyone agrees that it is absolutely essential to save lives, to restore health and to bring back individuals to a state where they can carry on normal lives and participate in the economy of the country. Therefore we must not skimp on the money that is spent on scientific equipment. In our free enterprise system we have been able to develop one of the best types of medicare programs anywhere in the world.

To revert to the matter of hospital construction, let me say again that patients recovering from an illness could be treated in a much cheaper way than is the case now. This is where some savings could be made. Another way is to prevent illnesses and accidents. As I have said, it is regrettable that one out of every ten people who reach the age of 50 suffers from a cardiovascular disease. Such diseases start about age 35 just when the accident rate goes down. The graph for these diseases climbs higher and higher the older a person becomes. These are the areas we have to tackle, the places where we have to prevent diseases and prevent accidents. In this way we can cut costs.

• (12:20 p.m.)

I believe that in my own province hospitals are continuing to be built. If I recall correctly the province has spent most, if not all, of its grant from the federal government. In other words, the provincial government is left in the position of carrying the cost of hospital construction. If I am wrong in this statement I stand to be corrected. However, I believe I am correct. The same situation applies to the health resources fund in my province. I am not speaking for other provinces because I do not know their situation as well. However, the province of Ontario has used up and is using up the health resources funds faster than they are being received. The province is going to be seriously short of funds. In my opinion the health resources fund is essential, and the grants should be increased, not reduced.

We in this parliament are introducing medicare but we are failing to provide the doctors to give the people the service they need. This is hypocrisy; it is not fair or honest.

To recapitulate, I should like the minister to tell us how much the federal government has given to the province of Ontario under the health resources program. Have they given as much as the province has requested or could spend? These are the things I should like to know. Probably the same situation applies in other provinces. I should like to know also whether the federal government will take a more active role in operating some of these facilities. I want to say that health manpower needs and education are not provincial problems; they are federal problems. A man may live in Ontario and may go to British Columbia but he is the same man with the same education, and the same health manpower considerations apply.

There is another thing that bothers me. Yesterday the minister made a statement on marijuana. The minister lives in Ontario, not very far from Toronto, and probably knows as well as I do that they are building an alcoholic and drug addiction hospital there. However, Ontario is not getting one nickel from the federal government toward the cost of construction of this hospital, which will amount to about $10 million. It is going to cost almost another $2 million to operate it.

These are the things that are causing me grave concern. According to a reply to a question asked by the hon. member for Surrey, the federal government makes a grant of $15,000 annually to the Canadian Foundation on Alcoholism. However, the federal government also receives in tax revenue from alcohol the sum of $296 million. This figure can be found on page 1201 of *Hansard*. When the federal government is making this amount of money from alcohol, why can it not share the cost of the program covering alcoholism and drug addiction? This problem crosses provincial borders. It is nonsense to say it is a provincial matter. If a man is an alcoholic in Ontario he will be an alcoholic in Manitoba. If he is a drug user in Ontario, he will be a drug user in British Columbia. It is ridiculous for the federal government to hide behind that screen.

This problem is not to be treated lightly because I believe the number of alcoholics in the Dominion of Canada is somewhere around 3 per cent of the adult population or about 300,000 people. In addition, there are many drug addicts, but I do not have the figures for them. I am wondering, too, what the minister is doing about the cigarette problem. Has the

minister set an example by quitting smoking? I believe the two previous ministers did, so I am wondering whether he has. If he has, I congratulate him upon setting an example.

Mr. Knowles (Winnipeg North Centre): And if he has not?

Mr. Rynard: I will leave that to the hon. member for Winnipeg North Centre. The point is, what results has the government achieved from its anti-smoking campaign? I am indebted to the hon. member for Surrey for asking a question on this problem because the information relating to it can be found on page 1201 of *Hansard*. I find that the tax revenue the federal government receives from tobacco amounts to $461 million. However, the government spent only $2,000 on a program aimed at the reduction of cigarette smoking.

Mr. Munro: No, no.

Mr. Rynard: I mean $200,000. That information is given on page 1201 of *Hansard* if the minister wants to turn it up. I do not believe the government has taken this problem seriously enough. It is admitted that the chances of a cigarette smoker contracting lung cancer are five to one vis-à-vis the non-smoker. Here is an excellent opportunity for the Minister of National Health and Welfare to have his name blazened across the country for cutting down the number of deaths from lung cancer. Have you ever seen a lung removed, Mr. Chairman? I have seen too many of them. The minister knows as well as I do, because he is intelligent and studies statistics, that coronary arterial diseases and cardiovascular diseases are also affected by the use of cigarettes. Here is an excellent chance for the minister to cut down on the number of beds that will be utilized for cases of lung cancer. Hundreds of dollars are spent on tests on these patients, not to mention the suffering the disease causes.

I want to ask the minister what he did with the film which was allowed to come into Canada recently and was viewed by the cancer society. Is that film going to be shown across Canada? Is he going to bring it to the House of Commons and show it here? I should like him to tell us what he proposes to do about it because the subject of the film asked to have it made in view of the fact he had not taken the advice of his doctors to quit smoking. I believe he left a wife and six children. This is one of the most emotional films that one could view and I think would be well worth showing to members of parliament, doctors and others across the country in any educational program.

• (12:30 p.m.)

I should like to ask the minister by how much cigarette smoking has decreased as a result of his program. If the results are not good, perhaps the program should be revamped. The minister has been asked question after question about this subject, and sometimes he has probably wanted to answer but has not taken the opportunity. This happens to other ministers as well so I do not blame him. Nevertheless we should like to hear him tell us how his program is proceeding. Many members of the house are vitally interested in health care and in the prevention of disease.

I want to say a few words about the Canada Pension Plan. I received a very interesting letter, a copy of which I suppose all members received, from a lady living in western Ontario and it illustrated quite a paradox. This lady's husband died when he was about 40 years of age from a coronary, leaving a couple of children. When this lady's assets were totalled her Canada pension was taken into account for succession duty purposes and she was also called upon to pay income tax every month on it. I should like to know why in the world this is so. This is double taxation. I would ask the minister to explain it.

We must also remember that there are many people who cannot help themselves, for example, the old age pensioners. Why do these people have to live in poverty? They are the citizens who built this country; yet they are kept in poverty. I wonder how well the minister or I would live on $108.50 a month. Many of these people are beyond the age of helping themselves, and such a situation is not fair or right.

I understand that the minister is going to speak on the new drug bill, which is all to the good. We shall appreciate hearing from him. However, I am wondering why the old age pensioners and others who are subsidized by the provinces as to medicare do not have part or all of their drug bills paid for them. I have already stated that care increases as one gets older. So does medication. Medication to a man under 50 ordinarily is not a problem but many old age pensioners do require to purchase drugs.

Why cannot the minister consider purchasing drugs in bulk, as do some hospitals in Canada? Perhaps there are insufficient old

age pensioners' votes—about one million of them—or perhaps it is easier to deal with more pressing problems than with the problems of our elderly people. However, I do feel keenly about this matter and I do not apologize for raising it. I suggest that many people who are on the supplement should be provided with free drugs. It is just as vital to keep them out of hospital through the use of life-saving drugs as to pay for their care in hospital. Perhaps their being kept in hospital is why hospitalization costs are on the increase. Sometimes patients have nothing but their old age pension.

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 give consent?

Some hon. Members: Agreed.

Mr. Rynard: I thank the committee very much; I will take only a minute or two longer. As I was saying, many of these elderly people require antibiotics, cardiovascular drugs in general, and so on. These drugs are expensive and have to be taken day in and day out.

The minister is a nice fellow and is, I believe sympathetic to this problem. I am wondering whether in some way the cost of drugs might be shared with the provinces so that drugs could be made available to such people. The minister comes from my home province and knows that 28 per cent of the people in Ontario either have their medicare paid by OMSIP or have the cost supplemented. If my figures are wrong I stand to be corrected, but I believe they are correct.

Such a scheme, would mean bigger buying power in the drug field. I realize the federal government would have to join with the province in such an undertaking, but when the minister meets the ministers of health from the various provinces perhaps he will raise this point. If such a scheme should eventuate, life for our old age pensioners and other pensioners who are on the borderline of poverty would be made much easier.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I should like to join with the hon. member for Simcoe North in extending my congratulations to the Minister of National Health and Welfare on his appointment. He knows that I regard this department as one of the most important in the government; and I am also sure he is aware of both the responsibility and the privilege that it is to preside over the department. I enjoyed very much his reference in one of his first speeches after becoming minister to the fact that on the first occasion after his appointment when he went back to the office at night to work apparently the nightwatchman would not let him into the building. I suppose that the nightwatchman thought he looked like a suspicious agitator.

I mention that, Mr. Chairman, to express the hope that he is. As I recall, during the past six years that the hon. member has been in this house he has been a member of several of the cliques and groups who have done their best to get the Liberal party to move a little faster than its traditional snail's pace. In particular, I recall that he was one of the activists who believed that medicare should have been brought in by July 1, 1967, rather than 1968. Even though he has now become an Honourable with a capital "H" and has the prestige of being in the cabinet, I hope he will still be an agitator for further progress in this very important field.

While I am in indulging in these niceties, which I express warmly and sincerely, I should like once again to tell the minister what a privilege it is for him to preside over a department that has so many competent and dedicated people working for him. I know that some of those people are present in the gallery and listening to what I say but, apart from that, all through the department there are devoted and dedicated servants who have played a very important role in developing the programs that have made this department the important one it is in the life of this country.

I have already made a reference that will let the minister know that somehow or other I do find time to read some of his speeches. I cannot read them all. There are only 24 hours in the day and I do not know how he produces so many of them. They are so good that I suspect some speech writing assistants in his department who assisted previous ministers have been kept on, and I am glad.

• (12:40 p.m.)

A note that comes out in some of his speeches that concerns me, and it has been expressed by the Prime Minister and others both in and out of parliament, is contained in the announcement that all of our programs are being critically examined, that they are

up for evaulation or for possible alteration or even discontinuance, if they do not serve the needs of our day and age as they ought to. I hope, in expressing that kind of concern, I do not sound like a Conservative. God forbid.

I agree that we must have improvements in all our programs. We have not yet heard the last word in social welfare programs or in plans which are for the benefit and welfare of all our people. The thing that concerns me about the minister's approach to our programs is, so it seems to me, his readiness to say that the programs are not what they ought to be, his readiness to consider discarding them, particularly those programs which are jointly financed, because they cost too much money, but his failure to give any indication of what is to be put in their place.

One of the most interesting speeches the minister made, and I suppose he retained his best writers for it, was the one he delivered in Hamilton on October 9 before the Hamilton Chamber of Commerce town meeting. I was so interested that I read it all the way through. I stuck with it because on the opening page or two I was given the impression that this re-evaluation of programs was the minister's concern and, therefore, that if I looked I might find some answer to my question: What do you mean by this re-evaluation?

I went through the speech and found it dealt colourfully and interestingly with the generation gaps, and I used the plural, that are part of today's society. I found some excellent sentences in the speech. In particular I liked the reference to the fact that in this society we still think sex is obscene but violence is not. The other day the Postmaster General became concerned about certain pornographic literature going through the mails. I wish we were equally concerned about war materials going from this country to the United States and on to Viet Nam. Though I enjoyed reading the speech the answers were not in it. There is no suggestion in it of what is to be put in place of the programs that we now have.

I submit to the minister that unless he has some ideas to bring forward he should not frighten the daylights out of us by delivering such speeches. When the Prime Minister stands up and says, "We will discuss these things at federal-provincial conferences; we have gone far enough in universal programs like medicare," and when the Prime Minister and the Minister of Finance say, "We must begin to save money and balance the budget"—and these remarks come from people who call themselves Liberals—you cannot blame us for wondering whether pension programs will be cut back, the Canada Assistance program will not be proceeded with as we thought it would be, and medicare is again to be questioned. The other day the Prime Minister said that the question of whether medicare should be extended could be discussed.

When we hear such words from the minister they do not sound as if they came from that suspicious looking agitator who came to work here the other day. I do not want this minister to be a striped pants minister of the crown who just administers. I want him to show some concern for moving ahead. I want him to be concerned about the things he expressed and was well known for when he was a private member around this place.

I was pleased to note that in his speech the minister referred to gaps we must still fill. It is obvious that he read the report of the economic council on poverty. Let me quote one or two sentences from his speech that I think are particularly good. On page 2 he says:

> Only a multi-faceted, flexible approach will meet the needs of poverty among farmers in eastern Quebec and unemployed in downtown Toronto, of the deserted mother and children in Vancouver and the fisherman in Newfoundland.

That is good. We must be up to date. We must span the generation gaps that trouble our society. We must realize that some of the things happening in the United States could happen to us. The minister says we must be up to date, I know, but up to date in what way? He gives no answer in his speech. He only succeeded in scaring some of us with the thought that this government would cut down on its welfare programs because of the reactionary cry that is heard that the budget must be balanced inasmuch as some are afraid we are spending too much in these areas.

Mr. Francis: Will the hon. member permit a question? I have listened with interest to the hon. member's remarks and he knows I have a high regard for him. When he says he is scared about something, is there any particular item in the estimates before this committee that gives him this concern?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, it is what is not in the estimates that concerns me. The minister stands up, this young, suspicious looking agitator, and says,

"At this point we have no new programs in the field. We are proud of what we have done but we have nothing new."

Why, Mr. Chairman, it is like Alice in Wonderland. You must keep running as fast as you can to stay where you are. If we are not to branch out into new areas, bearing in mind what is happening to our cost of living and our standard of living, we shall arrive at a position where our people will not benefit adequately from our social welfare programs because they will be deteriorating. Above all I am concerned about the minister's smugness and his satisfaction that all is well and that we can stay where we are.

Mr. Francis: No.

Mr. Knowles (Winnipeg North Centre): The hon. member for Ottawa West shakes his head. He used to be among those in the department I was complimenting a few minutes ago. Perhaps that is where he ought to be instead of in this place where he tells us everything is well and good.

Every time the topic of improving our welfare programs arises my hon. friend from Simcoe North takes the opportunity to talk about the cost of medicare programs and other, various open-end programs. When we argue that pensions ought to be increased—as a matter of fact, a week or so ago I presented a motion that had to do with raising the old age pension to $125 a month—the hon. member and others like him say we cannot afford to do so because we must balance the budget.

This is not the time to make a budget speech, but I should like to take this opportunity to comment briefly about some of the things the hon. member for Simcoe North talked about. Some day we must realize that in the kind of society we have in North America it is false and fictitious to draw a line between public and private funds. People complain bitterly when they read in the Auditor General's report that there has been waste and extravagance of the taxpayers' money. It is very popular to say we must not waste the taxpayers' money, and I agree, but we have the kind of society that pays $100,000 a year to some of our hockey players. That is not public money but private money; all the same it is part of the money which our society generates.

Considering the astronomical amounts we spend on liquor, tobacco, automobiles, and so on, I make no apology for pleading that we should spend all we have to spend on the health of our people, all we have to spend on their welfare and on the opportunity to give them a decent life. I plead with the minister again to be that suspicious looking agitator he was that first night he went back to work.

• (12:50 p.m.)

All of us face limited time in the discussion of the estimates, Mr. Chairman. My hon. friends and I have divided up the subjects to be considered and in order that hon. members may know the program, there will be other speeches. One of my hon. friends will deal with hallucinogenics, another with liquor and tobacco, another with Indian health, another with the medical field and another with various pension matters, provided there is time for all these speeches to be made.

For my part, I want to ask the minister to address himself to one of the gaps in our pension and welfare system. It is not a gap which he himself has pinpointed but he has admitted that there are gaps, and I would ask him to attend to this one. He and other hon. members who are here have heard me times without number plead the case of retired civil servants. I tried again this morning to get some kind of hopeful answer from the Minister of Finance who in the last parliament said publicly and privately many times that he was all in favour of something being done.

I am not now zeroing in on that group alone. I would make the point to the Minister of National Health and Welfare that one of the most important things we have to cope with is the need to escalate pensions generally after they have been put in pay. This applies to retired members of the civil service, retired members of the armed forces, retired members of the R.C.M.P., retired employees of the C.N.R. It also applies to people receiving old age security pensions and to those receiving pensions from private companies and corporations. One might ask: was not this problem always present? The answer is: no, not to the extent that it is today. A number of things have happened. For one thing, far more people are receiving pensions. In the second place, thanks to medical science and the support it has received form the state, longevity has been increasing. I have one reasonably reliable document here which suggests that the average retired person has about 15 years to live. Some, of course, are living a good deal longer than that. In our type of economy a person just cannot live for 15 years on a fixed income pension even if his income is fairly good at the point of retirement.

Many senior civil servants who have held responsible positions with the Government of Canada are today experiencing a poverty of life, if not actual poverty as far as bread and butter and lodging are concerned. An average life after retirement of 15 years means 20 or 25 years in some cases. I had a talk the other day with a schoolteacher who had just retired at the age of 60 on what appeared to be a reasonable pension. I said to him: "You are in good health. How do you think you will be able to live 30 years from now on that pension?" The question threw him.

This problem is a very real one. The federal government has given it a little attention—a very little; provision has been made for a cost of living increase on an automatic basis under the Canada Pension Plan. But this only amounts to 2 per cent per year, no matter how much the cost of living goes up. I believe that the minister and all others responsible ought not to settle merely for pensions which keep up with the cost of living. After all, we do not ask society generally to do this. We do not want our children or our grandchildren merely to have enough extra money to keep up with the cost of goods and services we presently enjoy.

We live in a society in which there is material progress. We expect our children and those who come after us to enjoy a better life because society is capable of producing more and better things and services. Then why, in the name of heaven, is there this notion that in the case of retired people there is a point at which they cease to share in the rising standard of living, the increased abundance we are producing? Unless we do something about this situation the whole spectrum of pensions is in danger. The minister spoke about our programs being inadequate. What he said in this respect may turn out to be more true than he thought was the case. Our whole pension program could become a farce if inflation, a rising cost of living and rising standards are such that decade after decade we find a whole section of our population condemned to a life in which there is no chance for improvement, no chance for advancement, no chance to share enjoyment of all the goods and services our society can make or produce.

I do not need to press the point that I have argued the case of retired civil servants for the last 25 years because I believe they have a sound claim on the government as an employer and because their needs are such that this claim should be met. And it has been established that my voice is not just a voice in the wilderness; a unanimous report of the joint committee made on May 8, 1967, also recommended that increases be granted. I have pressed that case on its own merit, but—and there is no secret about this—I want it to be done in order that we might get this principle accepted. The minister should not try to tell us that the principle has already been accepted in any real way because of the 2 per cent automatic increase built in the old age security pension, an arrangement under which it would take ten years to get a $15 increase in a $75 pension. Meanwhile there are increases taking place in both the cost of living and in the standard of living, and this is the area in which we ought to be doing something.

I have a few more words I want to say on this subject and perhaps I can do so after we come back at 2.30. This is the area in the pension field which really deserves the minister's interest and endeavour. I should like him to go out to his office and not merely look like a suspicious agitator but be one.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, when the committee was interrupted at one o'clock I had just about used the time allotted to me. There are just one or two more things I should like to say. One is simply a matter of emphasizing the main point I was attempting to get across to the minister. I stress that a major subject for research and action on the part of his department should be with regard to the question of what happens to the pensions of people who live for a period of 15 or 20 years on retirement and try to get by on a fixed income. I hope I made the argument when I was speaking before the luncheon recess.

Perhaps I might draw attention to a document that came to my desk a few days ago which emphasizes the point I am making. I refer to the Mercer Actuarial Bulletin which I am sure is familiar to all of us who are interested in this field. William M. Mercer Limited is, of course, in the business of pensions. It is not a social welfare organization. It looks at the whole problem from a very practical standpoint. This bulletin dated September, 1968, deals with the adequacy of pensions. Initially it deals with the question of what should be the level of pension provided

at the age of retirement, that is, whether it should be 40 per cent, 50 per cent or 100 per cent of the person's wages. The article deals mainly with this point but comes up against the fact that adequacy at retirement is an illusion if something is not done about the later years. Let me read a few sentences:

> Moreover, a pensioner's income is generally fixed at the time of retirement and not therafter changed whether he has a lifetime of 10, 20 or 30 years. A fixed dollar pension is obviously not responsive to changing social standards or to the changing value of money, as pensioners have become painfully aware in recent years. How large a pension should be in the first place and how it should be maintained in value are matters of great concern to pensioners and those nearing retirement.

Later on the article, after discussing one or two actual cases of people who retired on what seemed to be reasonable pensions, at least at the time of retirement, has this to say:

> Unfortunately the nicest calculation of the proper level of initial adequacy will seem to be little more than a waste of effort if after some years the pension has depreciated due to inflation. The average pensioner can look forward to 15 years of life and at current rates of inflation his pension will lose 40 per cent of its value before he dies.

The officials in the ministers' department can make contact with retired civil servants on a very high level who can substantiate this view.

> Escalation of government benefit, limited to 2 per cent a year, is only a partial offset. In these circumstances it is not surprising that pensions of even 100 per cent of previous earnings are not considered ridiculous.

Later, after a few more comments, the bulletin says in very straightforward language:

> There is a clear need to find some way of increasing pensions after payments have commenced.

I should like to make it clear that I am talking about pensions across the board. I include government pensions, allowances of all kinds, pensions of private corporations and the whole works. If there is anything that some of us believe in about government it is that government has a role of leadership to play. I believe our government should be playing a leadership role in this very important field.

This is the reason I ask the Minister of Finance to get cracking on the matter of raising the pensions of retired civil servants, but I also ask the Minister of National Health and Welfare to become interested in it not only as a member of the cabinet but because of his responsibility for the subject of pensions generally. I point out that there are companies which have accepted this idea. Across the years I have known of a number. A piece of literature came to my desk a few years ago telling about how Lever Brothers has built into its pension plan an automatic escalation after retirement. There are a number of these.

I think this is the most serious gap in our pension structure so far as the future is concerned. I ask for an all-out study of the matter. If the minister thinks he may have some difficulty persuading some of those good people in his department—and he knows how good I think they are—to spend their time on this, I suggest that all he need do is ask them to figure out what their own pensions will be on retirement at age 60 or 65 and how they will get by on that pension after having been on retirement for a period of 20 or 25 years.

My other point at this time is in the same general field. I should like to plead with the minister as strongly as I can—and I am still sticking to my text—that he will be the same suspicious looking agitator he has been and will realize that we will not have a just society if our pensioners are told that they will just have to get by on $75 plus $30, $105 or $109 a month, because the program is being reassessed and the government will come up with something different or better 10 or 15 years from now. These people are alive now and have rights just as have people in any other section of our society.

I wish to tell the minister that this government is not going to get away with inaction in the whole field of old age security pensions, youth allowances, family allowances, and all the things we do to soften the blow and try to bring about and maintain an adequate level of income for our people. If the minister will present to us as members something in writing which tells us of better plans than we have, then fine; we will look at them and consider them with wholehearted enthusiasm. But until that time let us not scare people with the suggestion that their pensions are to be cut off or the suggestion that the plans they have are to be discarded. Our people deserve not just the knowledge that a few years hence life will be better; they are entitled to a decent retirement now.

• (2:40 p.m.)

I urge the minister and his department to work on these problems. To return to my main point today, I urge the minister to seize himself with the problem of escalating the pension payments that are in effect. This is, I assure him, urgent and pressing business.

Supply—National Health and Welfare

[*Translation*]

Mr. Latulippe: Mr. Chairman, I am pleased to have the opportunity of saying a few words on social welfare which has cost the government of Canada the amount $1,710,600,000. That budget is extravagant.

However, Canada has the required revenues to pay those expenditures.

When money is spent on social welfare, people complain that it is expensive, because the Canadian economy is not balanced and because many citizens who could work and earn an income do not, on account of the present economic situation, and instead they live off the state. I would say that almost 40 per cent of unemployed Canadian citizens could work. In addition, a large number could provide for their welfare, their needs and development, whether physical, intellectual or material.

In view of the present situation, we have surplus products and people are kept from working because we do not want to increase production. Production is abundant in Canada, but the distribution is not well balanced. Production is abundant but consumption demands some purchasing power which is not being made available to families.

At the present time, we have all sorts of plans, all sorts of rub-a-dubs and welfare legislation: old age pensions, widows pensions, this and that type of pensions, in addition to family allowances which are far from adequate, far from being made available to the people, in short which are not commensurate with the needs of the people.

We have a lot of social welfare legislation, but what a muddle. We could substitute to all that, a real welfare legislation, a real family allowance legislation, call it what you will. But we could distribute the income to each citizen, each child, each student, each unemployed person and even each family head. We could distribute income compatible with Canadian revenues and production. The citizens do not need money; you do not use money for clothes. You do not stitch up dollar bills to make a suit. The citizens need production, foodstuffs, clothes, buildings, housing, to live decently. The citizens are born with needs and those needs must be met in a country like Canada which is now bursting with wealth.

We are the highest authority in Canada, we belong to an institution which comes before all others in the country. We are the only ones with the power to pass legislation or amend the existing legislation. Even if the 29 government ministers are the ones who administer the existing legislation in Canada, the people who do the work in the house are the 264 members elected by the people of Canada and they are the only ones who can pass new legislation or amend the present legislation.

The government does not produce anything but it administers everything. Under the law, parliament, which is made up of 264 members elected by the people, passes or amends legislation that the ministers are then called upon to administer throughout Canada. Therefore, each of these 264 members Canadian must be asked, as representatives of the people, to amend the Family Allowances Act or to pass a new one to increase the amount to $1 per day per child under 16, instead of the $6 or $8 paid since 1944. The family allowances have not changed since the measure was passed, whereas the economy has improved to the extent that the present needs of the various sectors have increased by 8, 10, 12, 25 and even 30 per cent. Yet the family allowance rate has remained at the same level since 1944.

That does not make sense, since Canada's national production has increased and it would not allow an increase in family allowances. If Canada's national production increases, the government should increase family allowances accordingly, to be more realistic. In fact, it must be remembered, Mr. Chairman, that the family is the foundation of society. If there were no families, there would be no parliament. Without families, there would be no nation, no province, no construction. Nothing of that would be needed. But if we want to maintain the present order of things, we must maintain the families. Now families cannot be maintained with a cheese-paring economy as we are now doing, rightly or wrongly, by all sorts of mean policies, by refusing to give children what they are entitled to and bring family allowances in line with the cost of living. To adjust them in keeping with the cost of living, at least $1 a day should be granted to every child.

By so doing, we would maintain an adequate purchasing power, to enable the disposal of part of the production surplus. Production is made to be consumed, and if it is not, it does not meet the needs. Then our economy needs to be mended.

• (2:50 p.m.)

It is necessary to mend our economy and it is high time, in 1968, in the twentieth century

to do something about that, especially when we do not know what to do with surpluses of products, when people are prevented from working by all sorts of means, which is very costly to the people, and when businesses are prevented from manufacturing goods because there are already enough. When out of niggardliness, families are not given the purchasing power they need, proportionate to the increase in production, it is illogic to condone a parliament responsible for that.

If we do, we are not assuming our responsibilities. We must react and immediately provide in our legislation modernization of our economic system concerning family allowances.

It is up to the 264 members to pass a new legislation or amend the present act, increasing allowances to $1 a day for all children under 16 years of age.

It should be the first act, the first legislative move in the present session. I refer to a first move, because it is the first measure related to the budget of social welfare. This is the first opportunity that we have to talk about it, because since 1944, the allowance rates have remained unchanged, while every other element of the economy in Canada has multiplied 5, 8, 10 or 15 times that of the allowances, as can be seen in the table that will be available later.

That should be the first practical gesture of the new parliament of Canada, which endeavoured to officially create a just society in a united country. Nothing in the world, nor in Canada, can prevent 134 Canadian members from increasing family allowances to $1 a day, or $30 a month, if they really want to do so. Those 134 members represent the majority required to pass legislation in parliament. Even if the Liberal party was against the measure, because of the ministers' refusal, the 110 members of the opposition, joined by 24 liberal members, could vote to increase family allowances to $30 a month, from the amount of $5 or $6 in effect since 1944.

We are in 1968. Our governments allot $60 or $120 a month to foster homes and orphanages for children of the same age. Then why not give at least $30 a month to normal families? This is where we should begin if we attempt to establish a just society in Canada. It would only cost less than 4 per cent of national production compared to 33 per cent of people or $2,500 billion for 7 million children, from a same national production of $68 billion.

It would only cost $210 millions a month out of the total assets of the eight Canadian chartered banks, money in circulation, compared to their bank assets of $33,460 million, to give $30 a month to the 7 millions Canadian children. The assets of the eight chartered banks would go down to $33,250 million but within a few days the amount of $210 million would all be returned to the banks so that their total assets would reach $33,460 million again.

It is simply a matter of balance, a game with figures; that is something which we could put forward. It would create almost no imbalance. Let us look at bank assets. If we made the banks pay for the cost of the allowances, their assets would not be affected, since that money would go into circulation only for a few days. That is one of the ways I suggest of finding the necessary funds.

Mr. Chairman, work and capital are the twin pillars of production. Production is regulated by the consumption of the population. It comes from the work of 7,700,000 citizens. It is regulated by 20,700,000 consumers and by 13 million dependent citizens. The above mentioned 7,700,000 citizens have purchasing power through work and capital; 13 million have no income, but have a right to live. We must therefore provide them with the purchasing power they need.

We must therefore guarantee the citizen purchasing power, a minimum personal income, which I shall illustrate by using a table which has been prepared and a calculation made establishing the possibility of providing a guaranteed annual income for all. My suggestion goes beyond family allowances, for I am talking here of a minimum income which we could guarantee for everybody of $30, $60, $90 or $120 per month, according to the age of each one of those 13 million dependent citizens. That is the way to provide a balanced personal family income for all families and homes in Canada. There are 7 million children, and if each were given $1 a day, this would amount to $360 a year, or $2,520,000,000. There are 1,500,000 students; if they were given each an income of $2 a day, or $60 a month, this would amount to $720 a year per student, or $1,080,000,000. We have 3 million adults, and if they were each given $90 a month or $1,080 per year, this would cost the government $3,240,000,000. We have 1,500,000 retired citizens, old people and all those who are in any way pensioners of the state. We have fixed a guaranteed monthly income of $120 per person, which would

amount to $1,440 a year per person, or a total of $2,160,000,000 a year.

For the 13 million dependents, the total guaranteed income we could grant them in the present circumstances will cost approximately $9 billion to the Canadian people. And we could deduct therefrom all the welfare, benefit, pension plans and rub-a-dubs, and the whole caboodle. All our plans and rub-a-dubs now in force cost nearly $5 billion to the Canadian people, whereas with $4 billion more, we could guarantee an income to every citizen.

Canada's national production in 1968 amounts to $68 billion. All we have to do is to retain an amount of $9 billion or 14 per cent from the national production for the 13 million dependent citizens. There would be more than $59 billion left with which to pay for the labour and capital of the 7,700,000 citizens making up that production.

• (3:00 p.m.)

If we calculate the averages of this distribution, we realize that the dependants receive an average of $700 a year, while the producers receive $7,700 a year. There are 7,700,000 producers and 13 million dependants.

In this way, each Canadian citizen will profit by a purchasing power through his work, his capital or his right to live. Nobody would be forgotten, nobody would be abandoned. Each citizen would have at least an income representing the vital minimum. Those who have neither work nor capital, will always have a guaranteed minimum income.

As for those who are afraid of any increase in taxes, duties, prices or the cost of living, to pay that personal minimum income to citizens without work or money, it is enough to know that those amounts will be taken out of the national production of $68 billion or out of the recapitalized surplus of $28 billion, after taxes are paid, in the context of the everyday economic life of the nation.

You do not need to be a university graduate, an economist or an expert in administration to know that every citizen has the right to live and that production must first serve the consumer before being used as surplus capitalization.

Before capitalizing in excess, Mr. Chairman, one must first of all consume enough.

Eeverybody will understand that. All members will understand that. Everybody would like it to be so. Everybody demands it from our large company managers and especially

from our 264 members and ministers of the government of Canada. Even though people are not able to understand the mechanism and intricacies of the money circulation, everybody knows that every citizen has the right to live and that you need money to live.

To the 20,700,000 Canadians, 20,700,000 purchasing powers should be given because of the work of some, the capital of others and the individual right to live of citizens without work or capital. These are the three kinds of revenue which all Canadian citizens would enjoy: work, capital and right to live. They could be achieved immediately within the framework the regular mechanism of our monetary, economic and political system.

Mr. Chairman, I will be brief. I think I have expressed these opinions many times and in many ways here, in this house. I present logical pictures, I speak of a financial situation which would be viable, because there is a surplus production amounting to $28 billion in 1968. As far as this surplus is concerned, $4 billion are capitalized by individuals and the remainder by big corporations.

Therefore, if capitalization is too high, something must be done about it. We must get from that surplus of capital, which is not even taxed, the money needed to pay the cost of a normal program of social allowances that would meet the economic needs and realities of our country.

If we fail to do it, it will be because we have not understood the situation. Those tables and that information are available to the house. If some hon. member wants more details, he can ask me and I will let him have all the necessary documentation about that matter. We are in a position to prove—and besides I have proved it many times—that we can give our citizens, our families, enough to live and to pay to each family a normal and adequate income to enable it to live decently in a wealthy country like Canada.

Just think, Mr. Chairman, that if, after having produced a surplus of $28 billion in 1968, we had put to work all those who are able to work, we could have increased our production to close to $100 billion.

If we were to put this purchasing power directly at the service of those who need it, that is the consumers, within two years we would see an unprecedented upsurge of activity in the Canadian economy.

The only thing lacking in Canada is purchasing power at the service of the consumers. Families need this purchasing power

most of all and they are the ones we should help.

It is illogical to tolerate the existing situation any longer, when we could produce enough in Canada to support 100 million people. We barely manage to support 20 million people, by accumulating exorbitant surpluses everywhere by restricting production and preventing those who are able to work from working.

Mr. Chairman, I will conclude my remarks by asking each member of this house to think logically and, above all, ask the minister to do his best to find the necessary and viable solutions, if he finds ours unacceptable. If our solutions are no good let him at least find others.

We criticize the administration but, at the same time, we suggest solutions which are easy as pie. There is a production surplus; let us grant more purchasing power in order to get rid of this surplus. We will then witness an upsurge of activity in industry and business throughout the country.

[*English*]

Mr. Danson: Mr. Chairman and relatives—

Some hon. Members: Oh, oh.

Mr. Danson: —this is no longer my maiden speech after my previous appearances. I had actually prepared a more comprehensive maiden speech to be delivered during the throne speech debate, but in a rare show of wisdom and good fellowship that debate was cut short before I had an opportunity to delight this house with that great speech. That was to be an historic occasion and in a sense this one is to a certain extent because through the fortunes or misfortunes of war I am probably the first person who has addressed this august body half blind since Sir John A. Macdonald.

I wish at this time to speak on the matter of pollution which is of concern to all of us in all of its aspects. While not wishing to be parochial, I think that the question of pollution in my constituency poses some very special problems and responsibilities, as it would in any area with the same set of conditions.

York North sits on the northern edge of the great metropolitan area of Toronto, and a portion of it is actually inside the border of metro Toronto. It is largely rural, with a number of attractive small towns and villages. My belief is that regardless of present planning, or perhaps more properly lack of planning, the explosive growth of Toronto will continue into this very pleasant and attractive area.

I could praise York North but my predecessors have done this in the past, great men such as William Lyon Mackenzie King and Sir William Mulock, and in an earlier legislature the grandfather of William Lyon Mackenzie King, William Lyon Mackenzie, the little rebel.

We have fields, streams and woodlands in York North which are very precious assets, as is the relatively clean air that still exists there. I believe that in such areas where urbanization and industrialization are imminent we must take very special care to preserve these gifts of nature in concert with both imaginative and orderly development.

In spite of long range plans and excellent research facilities for pollution control we are in grave danger of destroying our natural assets or contaminating them to an extent that they will be lost for all time. This would be a tragedy which we cannot afford and for which future generations would hardly thank us. The task force on housing and urban development will be finding ways to increase our housing inventory. In so doing they must keep the question of pollution in the forefront at all times.

I have had the experience of flying over the entire planning area of Metro Toronto in a helicopter, and it is really a shocking experience. You do not notice the cloud from the ground as you look up to the sky on a clear day—you just see the clear blue sky—but if you fly over the area you see a massive yellow and stinking cloud hanging like a pall over the entire area. I hope you do not mind this indelicacy but may I say that not only do you see it, you also smell it. Even on a clear day visibility at the southern end of my constituency is sometimes limited to one and a half miles. You see the once quite beautiful streams spewing masses of mud and filth into lake Ontario.

• (3:10 p.m.)

The reason for this flight was that during the election campaign I had been speaking to a group of ladies in a beautiful suburban subdivision. This subdivision contains many houses with a type of siding that is supposed to be impervious to the elements and to last about 100 years. I said that we had to attack the problem of pollution before it reached crisis proportions. Well, the crisis began right then. A great deal of trouble was being experienced with this siding in a region

which was some distance from the industrialized area.

About that time I was to make an address over a local radio station and I went up in a helicopter which belonged to the station. My talk was to be taped at the radio station but because of the shortage of time I had written it out before I took this flight. When we came down I was so mad that I tore up my speech. The helicopter has a little propeller at the back, which I understand is very important in so far as the stability of flight is concerned. Before we went up the pilot of the helicopter cleaned one of the blades of the propeller and when we landed he ran his thumb along this blade to show that it was dirty and sticky.

This is an indication of what has been taking place over this area. Before the problem escalates, I wish to plead with the minister concerned to give the matter of pollution control and abatement priority of the highest order. While the economy is rightly a paramount concern of this government, I suggest that the preservation of our natural environment, of our health as well as that of our children, is a priority upon which we cannot compromise on any account. These considerations of health apply, of course, to all areas of our country, and there is less excuse for pollution in the more remote areas.

There is, however, urgency in so far as this problem relates to York North which is unparalleled elsewhere. I should like to see a very special task force on pollution, comprised of the representatives of the various departments and jurisdictions involved, formed immediately to attack these problems on a crisis and crash basis. The metropolitan Toronto conservation authority is an excellent organization, particularly well informed on the situation in York North and other areas bordering metropolitan Toronto. This organization can be of special service if we here can provide the initiative and the funds it so desperately needs. The job these highly qualified and dedicated citizens are doing is worthy of the highest praise.

It is my belief that with adequate support from interested bodies and government agencies at all levels the problem can be attacked and controlled. The key is awareness of the crisis nature of the problem and a desire to get on with the job immediately. The support must not only be financial but moral and legislative. Such organizations must have the power, or at least access to the power, to put teeth into their recommendations. If we do this we will be doing no more than our job so that our children and theirs will bless us. But if we dare to fail, Mr. Chairman, we will be rightly condemned. I believe we should get on with the job right now.

Mr. Stanfield: Mr. Chairman, this morning I asked the President of the Treasury Board whether he had engaged in consultations with the government of Ontario with regard to making available to the house any warnings that the treasury board, the government of Canada or appropriate ministers had received in respect of errors in the current estimates for the shared cost programs. The minister indicated he had a statement to make this afternoon at the appropriate moment. Since an important part of the shared cost programs comes within the Department of National Health and Welfare, I should like to ask the minister whether he would make that statement at this time.

Mr. Drury: I am glad to do so. As I mentioned this morning, I had hoped to be able to find a suitable occasion to make this statement earlier but such an occasion did not arise. The statement is in answer to a question asked a week ago Friday by the hon. member for Edmonton West relating to the federal forecasts of the total cost for 1968-69 of the post-secondary education and hospitalization programs.

The program for post-secondary education payments to the provinces came into operation on April 1, 1967. The first estimate of the requirements under this item for the fiscal year 1968-69 was prepared in the spring of 1967. Because this program was new and there were only several weeks' experience with it, the estimates submitted by the department of the Secretary of State were based on the previous year's estimates adjusted upward by 20 per cent, the rate of increase of university costs in the years immediately prior to 1967.

During the intervening months between the spring of 1967 and January 12, 1968, when the estimates blue book was sent to the printer, extensive consultations took place between officials of the department of the Secretary of State and the provincial departments of education. At no time during these consultations was there any claim that the estimates for 1968-69 were low or, indeed, any indication that the monthly payments which were being made for 1967-68 were inadequate.

The first indication that these figures were low did not come to the department of the Secretary of State from the Ontario department of education but rather was contained

in an informal letter from an official of the Ontario office of the treasurer to an official of the federal Department of Finance. This letter, received in the Department of Finance on February 5, 1968, outlined the difficulties for Ontario in arriving at accurate estimates for this program, requested additional payments for the year 1967-68, indicated that the figures for 1986-69 would be higher than the original estimates and suggested that federal and provincial officials should get together for the purpose of arriving at a new agreed estimate.

I am informed that a meeting took place in Toronto on February 21 between officials of the department of the Secretary of State and the Ontario department of education and other provincial officials. This meeting indicated that on the basis of the still tentative figures discussed, the estimates for 1967-68 were low in respect of Ontario. As a consequence, the estimates for 1968-69, which were based on the previous year's estimates plus 20 per cent, would also be low.

The first official and formal confirmation from the government of Ontario to the government of Canada was contained in a letter dated June 20, 1968, enclosing interim statistical returns indicating post-secondary education operating expenditures for the province of Ontario for the years 1967-68 and 1968-69 at a slightly higher level than had been discussed earlier. This letter also indicated that, and perhaps this is most significant, in future all financial returns regarding post-secondary operating expenditures for Ontario would be sent to the federal government through the office of the deputy provincial treasurer. These official figures from Ontario, made available formally late in June, were reflected in the revised main estimates which I tabled two weeks ago. I will not burden the house with the details of the representations and consultations that took place with the other nine provinces that also participated in this program.

I should like now to turn to the matter of the hospital insurance program. Prior to the preparation in the spring of 1967 of its forecasts for 1968-69, the Department of National Health and Welfare asked all provinces for long range expenditure forecasts under this program for the period 1967-74. On the basis of information submitted by the provinces, the estimated federal contribution for 1968-69 was printed in the main estimates at $515 million. The figure used for Ontario in this calculation was approximately $560 million, of which the federal government pays about half.

• (3:20 p.m.)

I have been informed that at no time between the spring of 1967 and January of 1968, a period when there were continuing discussions between the Department of National Health and Welfare and the provincial counterparts, was any revision whatever made by any province to its original estimates. In the preparation of forecasts for 1969-70 the provinces were again asked for their most recent expenditure estimates, including estimates for 1968-69. This information was received at varying times in the late winter and spring of 1968, as a result of which the federal forecast of cash requirements for this program for 1968-69 was updated to the figure of $560 million which appeared in the revised estimates tabled on September 25 last.

This information from Ontario was received by the Department of National Health and Welfare in a letter dated February 27, 1968 and the new cost estimate for that province in so far as the federal share is concerned was raised from $267 million to $274 million, or roughly 2 per cent.

Mr. Stanfield: Mr. Chairman, I want to thank the minister for his statement and for giving the house information about the various formal and informal consultations regarding the estimates.

To deal first, with the estimates of health and welfare which are now before the committee, I do not want to put words into the minister's mouth but I understood him to say that the revised estimates for 1968 came in from the provinces in the late winter and spring, and that the letter from the province of Ontario which was received in February, 1968, indicated that that province was forecasting substantially higher expenditures than had been initially contemplated, and on which the initial estimates for the current year were based and tabled in the house last November or December.

Mr. Drury: Mr. Chairman, I do not want to endeavour to correct the hon. gentleman, but that last statement related to health and welfare costs only. These indicated revisions, in the case of Ontario an increase from $267 million to $274 million, which could hardly be described as substantial.

Mr. Stanfield: That is right, Mr. Chairman. This information from the provinces came in at varying times, as the minister indicated. He specifically mentioned Ontario because

questions had been asked about that province. The letter from Ontario containing the estimates revised upward was received in Ottawa in February, 1968.

To deal with that by itself for a moment, Mr. Chairman, it was during that very month of February, 1968, a time of financial crisis in connection with the House of Commons, that extensive debates were taking place about the financial affairs of this country. It was during that same month that the House of Commons was given an assurance that federal expenditures would not exceed $10,225 million, apart from medicare and the Expo deficit.

How does one reconcile this situation, with prudent behaviour? How does one reconcile it with the efficient machinery of which the present Minister of Finance and the former president of the treasury board boasted last November and December? As I say, Mr. Chairman, at the time this information was being received from the various provinces this house was given an assurance. And not only that, Mr. Chairman, but assurances continued to be given to the house, not necessarily by the present President of the Treasury Board but by the Minister of Finance and the government generally.

The committee knows that we have had given to us a statement filed with the securities exchange commission. The provinces have indicated a very substantial upward revision in their estimates. Although we have not discussed the Canada Assistance Plan, a similar situation obtains of higher estimates than those originally brought in. Therefore, Mr. Chairman, we must be frank with one another and I must say that I find it difficult to understand how a responsible minister of the government, particularly through May and June, continued to believe that the assurances given to this house in February were by any stretch of the imagination valid.

Yesterday the Minister of Finance indicated he was aware in May that there were discrepancies in the estimates and that some were running above what had been anticipated. However, he hoped that these might be made up by savings on controllable expenditures. I am sorry that the minister is not in the house; we will have to have this out with him on another occasion. However, no one took very seriously the prospects of saving anything like $400 million in the current fiscal year on controllable expenditures. The best indicated by the government was that it would try to save $75 million.

[Mr. Stanfield.]

The information that the President of the Treasury Board has given to us this afternoon, Mr. Chairman, indicates that after the month of February, 1968, there was no justification at all for responsible ministers to believe that the estimates initially tabled for the Department of National Health and Welfare were by any stretch of the imagination valid. The subsequent estimates have been based on information that came in partly in February and partly during the spring.

Not to wander too far afield but to comment briefly on what the President of the Treasury Board said about post-secondary education expenditures, here again an indication was given to an official of the federal government that the estimates tabled in the house were perhaps out of order. I would assume this to be a matter of concern to that official and that he would report it up the line, particularly in view of the very serious financial situation in which the country found itself at that time. I would have thought that following this immediate efforts would have been made to review the situation, in consultation with the provinces; and, indeed, this is what happened. As a result of requests from one side or the other, conferences were held at the official level on February 21, I think it was, at which time it was indicated that the estimates were very low indeed.

Without going further with the matter at this time, Mr. Chairman, the information that the President of the Treasury Board has given to this committee this afternoon clearly indicates that the government must have known, either at the time these debates to which I have referred took place last February or very shortly afterwards, that the estimates which had been placed before the house were seriously out of line, and that the government had been given good warning that the assurances it had given were in fact not validly based.

I want to close, by saying that for members of the government, the Minister of Finance and others, to continue through the spring to give assurances and to repeat assurances previously given that expenditures would in fact be held to $10¼ billion, and with a budget brought down, is behaviour on the part of the government that I do not think the Canadian people would find difficult to describe.

• (3:30 p.m.)

Mr. Drury: I have one or two words to say, Mr. Chairman. I do not think the hon. gentleman would wish to be accused of exaggeration. The one specific change which had been indicated in the early spring was the one I mentioned here. It was a formal notification by the government of Ontario that their previous estimate was in error, and on the low side by about $7 million, or 2 per cent. I do not think one would describe this as substantially or dreadfully low. That is the one piece of concrete information that was given.

Perhaps the cause of our trouble is that estimates were submitted, not by provincial governments but by departments of provincial governments. Steps are being taken by the government of Ontario to rectify this in future. They are making sure that all estimates of this character henceforth will not be put forward by officials of the department directly interested but by officials of the Department of Finance of the province, who might be expected to take a more disinterested view, shall I say.

The hon. gentleman has been a premier of a province and he knows well how estimates are prepared by provincial government departments. He knows of the problems connected with obtaining from all departments accurate figures. Those figures are prepared initially not, perhaps, with the objective of minimum necessity in mind. Other matters are included in the figures, and those figures must be discounted when first examined. It is such figures that the officials of the federal government had to work with. They could only be certain that the figures were uncertain.

During the winter of 1967-68 the indications were that those figures were on the low rather than on the high side, and it took us until about June to reduce these figures to realistic and precise ones. That holds true, with the exception of those figures dealing with health matters for the government of Ontario, where the figure of $7 million only was agreed on.

Mr. Stanfield: I do not wish to prolong this discussion unduly. As I understood from the President of the Treasury Board, the letter that was received from the province of Ontario relating to health expenses in February, 1968, contained new estimates that were in line with the revised estimates tabled in the house a few weeks ago. The minister has been talking about direct communication between officials and ministers. I may point out that during the period in question provincial governments were tabling their estimates in their legislatures.

I understand that in the month of March the government of Ontario tabled estimates in the legislature of Ontario. These estimates involved the higher estimates upon which the government of Canada is now basing its revised estimates. What has been going on, I wonder? Is the government of Canada pleading ignorance? Is it trying to avoid the charge of bad faith by pleading ignorance of what has been going on?

The relevant information is tabled in the provincial legislature across the country in the spring. I suggest that the Minister of Finance, for one, will find it difficult to persuade the people of Canada that the federal government acted in good faith and treated the House of Commons frankly and in good faith during the spring or early summer of this year.

Mr. Drury: The hon. gentleman referred to the tabling of estimates in provincial legislatures. It is true that provincial governments do as we do when tabling estimates. Perhaps one ought not to criticize their formats in so doing, without criticizing our own. I think the hon. gentleman shares the dissatisfaction I feel for the form in which our estimates are entered. It is difficult, when one looks through these estimates, to determine precisely what amounts of money are to be devoted to specific purposes. In the government of Ontario estimates, for instance, it is difficult to determine what amounts are attributable to federal-provincial cost shared programs. I do not think the hon. member could determine this.

We propose, on our part, to try to rectify what has been going on by devising a new form of estimates which will be more illuminating. I only hope that provincial governments will follow our example and make it possible for officials in Ottawa to discover from provincial government estimates precisely what is our share of the cost in relation to shared cost programs. That is not so today.

Mr. Stanfield: I realize it is difficult to read accounts correctly. I am not an expert in this field, yet I understand that the present Minister of Finance said in the house last winter that there are many skilled people associated with Treasury Board who, with the benefit of their equipment, are able to see far into the future.

Bearing that in mind, surely all an official in Ottawa who wishes to obtain an answer to a question needs to do is place a few telephone calls around the country. He can call the deputy provincial treasurers or others in their departments and obtain the necessary information quickly, particularly if estimates have been tabled in the provincial legislature.

I say in all sincerity that, considering all the skilled officials who are associated with Treasury Board and can perform the sophisticated procedures which have been outlined by the former President of the Treasury Board, the government cannot plead that it acted in ignorance or that there was difficulty in obtaining facts. In the light of this, Mr. Chairman, for the government of Canada to file as late as the end of May a prospectus involving the good faith of this country in the United States, and for the government to stand by its old assurances, which it must have known were hundreds of millions of dollars out, is inexcusable.

Mr. Forrestall: I do not wish to prolong the debate on the estimates of the Department of Health and Welfare. I should like, however, to make a few comments which are directed towards the 150 odd athletes partaking in the Olympic games in Mexico City. I and my fellow Canadians congratulate them for the part they have played, a part we have been privileged to watch whenever the C.B.C. has seen fit to give us the opportunity to do so. Many of us are disappointed that our athletes have not performed as well as might be hoped. The games are not over yet however, and we still hope that some medals will be brought back to this country. I extend my congratulations sincerely on behalf of all Canadians.

• (3:40 p.m.)

At the same time, as I think about what is happening in Mexico City, I wonder about the true depth of our participation as a nation in what led up to this tremendous event. I wonder, too, as I look ahead to 1976, with a knowledge of the bids which are being made, whether we are doing everything we can to make certain—and I hesitate about saying this since the games are still in progress—that Canada gets some athletes on the world scene. We are capable of doing better. One of the reasons for our failure to do as well as we might have done is that as a nation we have neglected to do enough to help our athletes. One of my concerns, and I am sure it is shared by a great many Canadians, is that we have failed to build up a professional coaching staff, in depth.

The system of direct contributions through the fitness program is now five or six years old. It was introduced by my hon. friend from Perth, when he was minister of health in another administration. The act establishing the council placed a limitation on the amount to be granted to the council and, through that body, to the various athletic associations across Canada. The grant was set at $5 million, and I believe it was only last year that this money was fully utilized for the first time. This year again the same amount is earmarked. If we hope to do any better in international competition in the future I suggest we should now consider amending this act so as to make it easier for the council to do the job of work which needs to be done, in other words to bring our track and field athletes, our swimmers, our fencers, our scullers, our weight lifters and so on to true Olympic levels, which will reflect the pride we have in them and reinforce their ability to participate on an equal footing with athletes from all the other countries in the world.

I think it is wrong and a bit shameful that we should have any athletes in Mexico City who did not enjoy the benefit of working with professional coaches in their own fields. The only way round this situation is to open up our pocketbooks a little in connection with the grant I have mentioned. I shall not seek to suggest how much it should be. The council itself must be in a better position than is the Department of National Health and Welfare to judge what would be an appropriate amount of money. I think the act should be amended so as to make more generous provision. Canada has about 150 athletes in Mexico City entered in 30 or 40 events. This stands up well in comparison with other national teams. The United States and Russia have managed to field teams of 400 or more, but in comparison with countries of similar population and financial resources to our own we have done well and I think we can all be justly proud of our efforts. It is unfortunate that in many respects our team has gone there without full or proper training, and in some cases at tremendous personal cost to the athletes themselves, in terms of dollars and cents. I do not think this should be necessary in 1968, and I would ask the minister to think about these things. Whether he does anything about them is, of course, beyond our control.

There is one other matter I should like to raise—I may say it is also in the mind of one

of my hon. friends who had hoped to comment on it this afternoon but who has been obliged to leave the chamber. This is the first opportunity I have had of discussing it, and it is one of the better ones. What I am about to say involves the importance of consultation between the federal government and the provinces, and touches the point which was raised during the exchanges between the President of the Treasury Board and my hon. friend the Leader of the Opposition. The former prime minister, Right Hon. Lester Pearson remarked, with some justification I think, that we were living today in one of the most forward-looking welfare minded countries in the world. I think we are all very concerned with the effectiveness of the programs which have been introduced. The comments made by the hon. member for Winnipeg North Centre in this regard are apropos and many of his opinions are shared by everyone in this house.

We have reached a point, now, at which the full thrust of the welfare program is being met by the Canadian taxpayer. Let me cite one particular incident which might have been avoided had there been closer consultation between the departments and the provinces in the field of health and welfare. I refer to the so-called deterrent scheme introduced in Saskatchewan under the medical insurance plan. It seems to me this is the type of thing we should be careful to guard against in Canada. Taxpayers in Nova Scotia, for example, are paying money into a fund which is used to support provincial plans, but they are doing so, now, in accordance with terms different from the understanding which was initially reached when the scheme was proposed. I do not mind paying into a program, but I do not want to be told that because of a provincial move somebody is being deprived of full access to the benefits which were intended from medicare. This is the type of thing which has led to misunderstanding throughout the country, and I believe it could have been avoided if there had been close and continuing consultation between the federal government and the provinces.

• (3:50 p.m.)

I wish to make another comment or two with regard to the growing cost of medical and hospital insurance programs. In the past five years in numerous municipalities and civic areas throughout Canada we have noticed an undue amount of concern and costly delay in the matter of programming hospital construction. There has been delay in terms of what type of bed space should be provided, whether it should be convalescent bed space or active treatment, where it should be, what type of facilities should be included in terms of technical developments and so on. I am sure there have been cases where many thousands, or perhaps hundreds of thousands of dollars have been wasted on unnecessary feasibility studies. These are studies which have been wanted by a specific municipality or province so that it would have something upon which to base its hospital building program and equipment purchasing program. The minister has said that there is nothing here in terms of new programs, and it would seem to me that this is one area in which the government might play a part which would not cost the federal government too much money.

I think a reasonable amount of money might be expended in this area in an effort to overcome a continuing difficulty on the part of some of the municipalities and provinces in Canada. I suggest that the minister might consider calling together some of the outstanding medical people in Canada to establish a centre of information within the department which could be tapped by municipalities and provinces as they proceed with their building programs. I do not suggest that a task force be set up in this regard, because before too long task forces will fall into the same rut royal commissions have fallen into. I do not want to see that happen. I believe it would be most useful to start thinking now about the type of hospitals we might need in 1970 and what their role might be in 1980. We might look at the matter of what type of equipment we should buy now, what equipment is obsolete now in terms of its useful life and how we can balance out medical equipment and medical buildings in a given province so that we do not have a continuing wastage of money.

It is not sufficient for the provinces merely to meet certain standards from time to time. Something more must be added during this particular pause we have now in respect of federal participation in hospital construction grants. It seems to me that some slack might be taken up in this field of providing a source of information to municipalities and civic authorities.

I hope the minister will think about these two things. First of all, there is the opening up of the act by way of an amendment to permit greater flexibility in respect of the

fitness council, so that we may look forward hopefully not only to the 1976 Olympics but beyond. Meantime the minister might tell us whether we have any chance of getting the 1976 Olympics. I suggest that we should be looking forward generally, and not only to the 1976 Olympics, by making better provision for the fitness council to equip the natural talents of our athletes.

Mr. Munro: Do not forget about our contribution to the Canada games in Halifax.

Mr. Forrestall: I must extend my warmest thanks to the government for the 1969 winter games. I extend a very warm invitation to everyone in this house to make their vacation plans in such a way that they include a quick trip through Prince Edward Island, a quick scoot around the Cabot trail and a week end in Halifax in 1969.

Mr. Francis: Mr. Chairman, I should like to say a few words this afternoon following the remarks by the minister when he introduced the estimates, which I think were very ably presented to the committee. The first two official spokesmen for the opposition, the hon. member for Simcoe North and the hon. member for Winnipeg North Centre, who unfortunately is not now in the house, made a number of remarks concerning the department and its operations. I wish to deal in the best way I can with what they have said.

If one looks at the operations of the Department of National Health and Welfare, as indicated in the summary at page 342, he will see that there is something like $1,600 million in the estimates, of which $132 million are to be voted. The remaining amount is statutory. I suggest also that we might look at the expenditures under the old age security fund which are to be found at the bottom of page 5 in the estimates and which are fairly substantial. There is a total of $1,581 million. It is very interesting to note that the leading spokesmen for the opposition parties dealt in general terms with what they thought the function of the department should be and where additional priorities should go. May I suggest that their statements were in rather marked contrast to the tone of the exchange between the President of the Privy Council and the Leader of the Opposition which took place later in this debate. The earlier speeches were concerned only about areas where the department should spend more. The later statement concerned the budget and other commitments of the department.

[Mr. Forrestall.]

In particular the hon. member for Simcoe North in a statement which I am sure we all enjoyed very much, referred, for example, to the fact that the department is not doing enough in the field of mental health. In his remarks he overlooked the mental health grant which has been administered by that department since 1947. I presume he was referring to the lack of a general extension of federal activity in respect of the sharing of the costs of mental institutions. This has reference to the operating cost and not the capital cost. A number of references were made to the need for additional research. Some very strong remarks were made about the lack of research in the field of ways in which to deter people from smoking, such as showing the harmful effects of one type of activity or another. There is no question but that members on all sides of this house are most anxious that the areas to which the hon. member for Simcoe North very ably pointed should receive high priority in the budget and should receive additional sums, wherever this is possible.

• (4:00 p.m.)

The hon. member for Winnipeg North Centre went very much further and indicated that he thought there should be priority in respect of research, and such matters, as to what is an adequate pension, and what are appropriate measures to compensate for inflation, and so on.

This calls to my mind what I think is really the major limitation of the group of which the member for Winnipeg North Centre is a member. He and his group are very good when it comes to distributing wealth. The whole emphasis of their platform and political organization is based on terms of where additional money should be spent for a number of measures that certainly would be beneficial; but there is much less emphasis on how to create wealth. In the total disposition of the estimates, members of this institution must be responsible and must look at the total spending picture.

I know the hon. member for Winnipeg North Centre is going to say that the country can always afford these expenditures. At various times there is a solution which comes from that hon. member and other members of this house which goes something like this: Expenditures on health and welfare are an investment. Then, somehow, automatically these expenditures are not inflationary because they generate increased productivity in proportion to the amount spent, and there

is no net inflationary aspect. This is their argument.

I listened to the hon. member debate a private member's motion by which he was going to increase pensions immediately to $125 per month without a means test, and incorporate the guaranteed supplement into the basic pension. He was going to reduce the age for payment to 65 immediately. By my calculations—I have not done the refinements that may have been done by the hon. member, and there is no amount in the supporting speech by the hon. member for Perth, a former minister of national health and welfare—it amounted to something like $750 millions of additional expenditures. I can see that the hon. member does not apparently quarrel with the estimate I am presenting.

Expenditures from the old age security fund amount to something like $1,500 million, and this would add something like a 50 per cent increase to these expenditures, in one bite. Mr. Chairman, we have to bear in mind the point of priorities, and I submit to you and the members of this house that the program the member for Winnipeg North Centre and members of his group have placed before us is a program of inflation. In the next breath they talk about programs of research to find a means of establishing adequate pensions and how to counter inflation.

Research does not have to be that extensive, if you listen to the speech made yesterday in Victoria by Mr. Rasminsky, governor of the Bank of Canada. He pointed to the very imminent dangers of inflation and the need for responsibility in respect of fiscal matters by the government.

This is considered to be right wing. There are various other references that can be pointed to when you have to think of inflationary consequences and the government at this time has to put forward a program which does relate to inflation. May I submit that the program which the hon. member put forward was the equivalent of throwing gasoline on a fire, in the theory that this was the way to put it out more quickly. Certainly with this program, which he and his group have put before this house, if it were adopted at this stage the inflationary consequences would be very serious, indeed. The need to have more and more research, to find more and more measures, to provide a basic pension and to compensate for inflation would become greater. This is a difficult and vicious circle. There appears to be no end to it.

There is no question that in concentrating on the methods by which social welfare and health benefits should be looked after, and we all agree that they should be—we are not complacent about these matters—we must consider the inflationary results. We do not suggest that the program we have presented is the complete answer. We all know that much more has to be done.

No one is a more vigourous spokesman on this behalf than the minister himself, when he spoke in introducing the estimates before this house. There is no magic by which we can produce $700 million to cover the costs of the suggested resolution, which the hon. member put forth in good faith. There is no means by which we can touch on all the programs very ably described by the hon. member for Simcoe North. There is no means by which we can do the very many things we want done and still meet the requirements of the President of the Treasury Board which have been placed before this house, particularly on the basis of what the governor of the Bank of Canada has said about this stage in the development of our Canadian economy. This is true of the advice in respect of measures that must be taken on the broader front of balancing incentives for growth, and the increase of national income in this country, and some measures which may reduce inflation and restore price stability.

In the course of the last election campaign in my own constituency the positions taken by my Conservative opponent and by my New Democratic opponent were almost precisely the same on this matter. They both agreed on the kind of resolution which was presented by the hon. member for Winnipeg North Centre, supported by the hon. member for Perth. That hon. member defended that resolution before this house not very long ago. They also said at the same time they were against inflation. They said they were going to fight inflation. They said there should be tremendous energy and resources used to bring stability to the economy so that the older people who were living on fixed incomes and retirement pensions should not have to suffer this grave injustice and the erosion of their standard of living because of increased prices. In the very next breath they advocated programs which would contribute to inflation to a degree which would be almost unbelievable.

In looking at the estimates which are before us, please remember that we cannot be schizophrenic about this matter. We cannot

have one group of speakers come forward and say we should spend more here, that we should spend more there, that we should do this here and that we should do that there, that we should do more for old age pensioners; that we should find more ways of helping these people. All these things are desirable. We then have the next group of speakers at a different stage of the debate and in a different context criticize the government because it is spending too much money and creating inflation.

We cannot do this and split ourselves into little packages, hoping that the packages are never put together in a way which will make things very embarrassing. I believe that the estimates now placed before this house and the program we are now considering represent considerably less than many of us would like to see. There is no question about that. But like many other things that come before us, this is a compromise and the result of many considerations the government must face. It is a responsible presentation on behalf of the department whose employees, I am happy to say, well deserve the tribute paid to them by the hon. member for Winnipeg North Centre. For some years I have had the privilege of joining with those employees who prepare these estimates and I am glad the hon. member said that. He went on to say he regretted I had left that service and presented myself as a candidate for public life. To return the compliment, if I may, much as I respect the way in which he has contributed his concern and interest to government expenditure, I cannot thank him for the interest he has taken in the measures the government is proposing in respect of fiscal stability.

Mr. Ritchie: Mr. Chairman, in rising to speak on the estimates of the Department of National Health and Welfare I am aware of the tremendous change that has taken place in our social attitudes to health and to various forms of social services. Society, from its very beginning in time, has been concerned with some type of community health service. Indeed the very wealthy people of last century discharged some of their social awareness by donating large sums of money to hospitals, and other institutions which provide service to needy people. Illness often affects those of the aged who are unable to earn money and have no resources of their own.

The medical services in Canada in the first part of this century were largely the result of private initiative. Most people paid their doctor and hospital bills if they could. If they could not, the bill was either not paid or it was absorbed by an institution as a charge on those who could pay, or it was subsidized by the community by donations or government subsidy, local or provincial.

The government has increasingly become involved in the health care field. At the present time there is little health care which does not involve the government in whole or in part. This is in line with the experience of almost all the countries of the western world. The sophistication of the health resources of the various countries of the western world, especially in the west, largely depends on the general industrial development of the country. In the North American continent there has developed a very high level of medical service and care, and the volume of research and knowledge emanating from the medical complex of the U.S.A. and Canada far outstrips the whole of the rest of the world. However, there have been arguments that this medical knowledge and these medical resources have not been applied as well as they should be, to give the general public the service that modern medical science has evolved for their care.

This discussion has been centred on the fact that, as many of the health services were paid from the patient's own resources, the individual did not have the necessary income to maintain proper health care, and that if these facilities were taken over by the government with the institution personnel being paid directly by the government, these people would have proper medical care.

• (4:10 p.m.)

The aim of this is laudable, and there is agreement that the best health services should be available to all, regardless of the ability to pay, or the circumstances. However, this in effect is far too simple, because the mere allocation of money does not procure health service for an individual. When the patient paid for his health services out of his own resources there was an automatic barrier beyond which he could not go, or he had to depend on charity for the provision of these services.

Now that the government has entered the field and has made available to its citizens most, if not all, of the health services, various and important problems have arisen, and decisions have to be taken as to how much care and to what extent health services

should be provided. Much has been written and said about the right to health. This I feel has clouded the discussions and arguments on the vital points as to how much health care the community's willing to provide. In essence the term "the right to health" is one used by the general public. We would be better served if the phrase was "the right to the best available care" in the circumstances in which the individual finds himself.

The individual may have the right to remain young forever, but there is no medicine in the world that can guarantee this. Health care, leaving aside the infectious diseases that affect the whole community, is largely the care of one's own self. In other words, like grooming, health care is of little interest except to the individual or his immediate family. Indeed, much of the major health care is directed to looking after and making confortable the elderly section of our population who are nearing the end of their lives and for most of whom their productive days are over. Nevertheless, as a society we do our utmost for these people and most workers in the health field follow the principle of doing the most for as many as possible.

Government having largely taken over the health care field, whereby health care is free at the point of usage, has created enormous difficulties and problems with which we are only now coming face to face. What is perhaps not generally understood is that the scope of health care is so vast that all the resources of the community, all the productive people in a community, could be involved and there would still be a great deal of work left undone. When the individual paid for his own health care there was a limit beyond which he could not go, or charity could support him. Similarly there is a limit to where the nation can go in the health care field.

It is interesting to note that it is estimated that the countries of western Europe and North America spend about the same percentage of their gross national product on health care. The U.S.A. spends the largest amount and is generally conceded to have the most people still buying their own medical care. With this in mind, it is obvious that health care must be rigidly rationed in some manner. If it is not rationed by the patient's pocketbook, it will be rationed in some other way, usually by a queue. When medical care is free at the point of usage, most of this rationing occurs at the two main introductions to health care facilities, that is, at the doctor's office and in the hospital. The problem that arises is, what care should the doctor provide for his patients at this point of entry, and how and under what terms of service shall he function?

The physician gives to his work knowledge and experience, but the most important commodity he sells is time and attention. It is, for instance, generally considered that a doctor should provide somewhere in the neighbourhood of 15 minutes for the average consultation, but the demands on his time are so great that he may have to spend much less time with a patient, and in some cases two or three minutes is all that a patient will receive on an initial visit. The doctor, being true to his professional code, must within limits see all those who wish to see him, because the last patient of the day may be the one who most needs his services.

A similar situation exists at the hospital level, should a patient wish to be admitted to hospital. No one needs to be admitted to hospital, or all can be admitted to hospital, depending on the point of view taken. Hospital needs in the past have been based on the number of beds required when people had to pay for them out of their own pocket, but now the hospital being free at the point of usage, it is overcrowded, long waiting lists have developed and many patients who would benefit from hospitalization have to be refused admission.

Of course various methods have been developed to attempt to curtail these admissions and to arrive at a decision as to what is right or needful, but this is extremely difficult and hard to assess and in the main it is largely catch-as-catch-can, particularly in some phases of illness. Coincident with the overflowing of hospitals there has been a marked rise in the number of employees per bed. In the case of hospitals my experience was that .9 employees per bed was considered adequate before government hospitalization. Now it is up to 2.5 employees per patient. It might be considered that this would increase patient care, but an analysis will show that the employees are largely employed in areas outside patient care, that is, in the field of housekeeping records and administration. Indeed, it often seems that the demands of administration and records are so great as seriously to compromise patient care.

Automation may be taking over in some fields, but in the health care field there is little or any of it. The cost of health care is growing rapidly, much more rapidly than our

general economy. Decisions will shortly have to be made to limit health care in some manner. The recent introduction of utilization fees by provinces for obtaining care indicates some evidence of a return to having the patient pay to some degree for the protection of his health.

Indeed it has been argued that a patient should pay something at least, because he is receiving food while in the hospital. The imminent introduction of medicare has created considerable discussion as to the effect of our health facilities, especially when at this time, with costs a matter of increasing concern to all Canadians, the government is proceeding, in the face of provincial objections, on a set medicare course. The federal government has often accused the provinces of overspending, but in this field at least the provinces have been reluctant to enter medicare on the basis established by the act. As the federal government intends to opt out of the medicare plan in five years, and leave the provinces to their own resources, it appears that their objections should be taken into account.

At this time I would like to quote from an editorial which appeared in the Winnipeg *Free Press,* a newspaper that has been markedly Liberal in its leanings:

> If Prime Minister Pierre Trudeau and Mr. Benson are in a mood even to contemplate cutting existing programs—and they have hinted they are—then they have no honest recourse but to postpone medicare. Anything else would be a betrayal of the provinces—most of which don't want it at this time anyway. It would be to say, in the cruel language of dollars and cents at a period when tax burdens are already excessive, that it is the federal intention to start programs which it knows the provinces cannot afford to finance alone and then—having accustomed the electorate to their benefits—to load the whole burden of them on already overburdened provincial treasuries.
>
> A better means of further embittering federal-provincial relations could not be designed.

With that in mind, I would hope that the health minister, meeting with his counterparts the federal and provincial finance and health ministers in Ottawa on November 4 and 5, will give this matter of medicare urgent consideration, and it is to be hoped that a program which will be acceptable to the provinces can be worked out.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, in a moment I want to ask the minister about several specific matters, and I hope he will be available to take note of my requests.

[Mr. Ritchie.]

• (4:20 p.m.)

I want to take just a few moments first to say that I am very hopeful that the new minister will live up to the hopes and aspirations some of us have had for him. As the hon. member for Winnipeg North Centre indicated this morning, we had the idea in the last parliament that he was a man who would be able to withstand pressure and to hold firm to a course which now has been decided upon.

Perhaps it would not be correct to say that I was upset—because it did not surprise me—but I have found it very distasteful, and somewhat alarming, to hear an attempt made here this afternoon to sabotage medicare on the excuse that it would be an added expense to the taxpayers a large section of whom, may I say, can afford to pay taxes. We have already heard this attempt in the last parliament, but in spite of difficulties this house had the courage to put medicare on the books. The program was researched exceedingly carefully, was discussed, and a royal commission was set up to study it. It was proven over and over again beyond the shadow of a doubt that medicare is literally a life saving necessity for people in this country who cannot pay their own medical bills.

If medicare were not implemented, these people would have to suffer various stages of misery and distress, with no means of alleviating it. This has now been proven. I am pleased to note that the minister was one of those who held firmly to the belief that medicare was necessary and who helped to get the legislation through. Now we find here in the house spokesmen of a very unholy trinity of big business, big medical and big political concerns, which are determined to sabotage this piece of legislation which is already on the statute books, which two provinces have already implemented, and which two more have signified their intention of implementing. So far as I can see, the strongest pressure comes from the province of Ontario, and I deplore it. It means that we are willing to pass a language bill which speaks about the need of building one Canada with equality of opportunity for language and culture, while at the same time there are some provinces which are wealthy and better off than others whose spokesmen say they do not wish to join the medicare program because they would have to bear more of the share of the costs. So they want to sink medicare before it gets under way.

In my view it is deplorable that we should pass a language bill on the one hand and on the other destroy any opportunity for equality of the health and well-being of thousands of Canadians. I do not think there is any justification for this. Once the Canadian people realize what is going on they will not be slow in making their feelings felt about medicare.

This trend is not new. When I heard the hon. member on the government side who preceded the last speaker refer to this subject I wished he had looked up some of the records in the history books of this country. He would find that a former minister of labour, when he had the plight of the unemployed people drawn to his attention, made the statement that it was quite impossible to put the unemployed to work, that it would bankrupt the country and would cost millions of dollars. He said we could not afford to do anything to prevent people from rotting in idleness. Adolf Hitler did, by making us go to war. When war was declared, we discovered that in a country which could not afford to keep the young people working, happy and well, where there was no money to provide a decent civilian job for our young citizens, we could spend $28,000 to train an aeroplane pilot and $25,000 to train a navigator, as many of them as we needed. We could also find sufficient money for war equipment and defence because, we knew we had to find it.

I find that a great many people in this house—I see some of them in front of me and some to the side of me—do not know yet that we have to plan for a healthy and industrial population, for a population that has some faith in this country, or else we shall have to pay a price that no country can afford. If we do not pay the price of keeping people healthy through medicare we will not have a healthy population, because a very large percentage of our people are not able to bear the costs of their own medical bills. If we allow our population to suffer poor health and misery we shall find ourselves in a situation similar to that which is to be found among the Indians, whose health standards we are desperately trying to improve and bring up to the standard of the rest of the country. Although our health standard is far above that of the Indian people, it too is in jeopardy today because of the attempt to kill the medicare program.

If we can afford to look after people in their old age, we could also save in medicare costs by giving people enough to live on, and remain self respecting. Surely we are not in such desperate straits as to say, as some hon. members have said in effect today, that we cannot afford to care for sick people in Canada, that there is just not enough money to look after them, that those people who can afford to pay for a doctor can keep well, but let the other people stay sick or in a state of ill health indefinitely. We have heard some hon. members say today, in effect, that we cannot afford to look after old people: Let us sweep them under rug or put them away somewhere, where it will cost very little and thus rid ourselves of the whole problem, because we cannot afford to give them enough to live on. When I hear people complaining about the enormity and atrocity of asking for pensions of $125 a month I am reminded of the Canadian welfare council which said three years ago that the minimum on which a single individual could live in health and decency was $138 a month.

Surely members of parliament should not be abdicating their responsibility in this fashion, because if they do, then they are betraying the trust which was put in them by the electors of this country. It is true that we have in our ridings many affluent taxpayers, but there is not one of us here who has not also large numbers of people in his constituency who depend on what we can do co-operatively through medicare, old age security and other forms of social security.

I say that some of us here are not asking for anything out of the way. We are simply saying that, either we have a government which will ensure that people will have what they need in the way of social security, and which will ensure that we have the industry for the gross national product necessary to finance these measures, or else we must resign ourselves to a divided population half healthy and half sick, half free and half slave. I do not think there is any way around that equation. I, for one, am not going to try to shove Canada back into the nineteenth century. There are too many people who want to do just that; but some of us have to try to keep moving forward, toward the goal which most people want.

• (4:30 p.m.)

I was interested in one member from the other side who said that this party seems to have a lot of experts in such matters as health and welfare. We are not experts. However, we have a lot of people who are concerned about people and the things that people need. We believe that these things should have a high priority. It is all very well

to have one's heart bleed, and bleed in public, but if one does not make the necessary arrangements to achieve the goal of social well-being, all of that blood is wasted.

I should like now to deal with two or three specific matters upon which I should like some information from the minister. The first of these is the Canada Pension Plan. Other members will have similar cases to the one I am going to cite. This man worked for 27 years for a large company on the west coast, and he has qualified for the Canada Pension Plan. As a matter of fact, he had a good pension plan with this company, but it was integrated with the Canada Pension Plan. This has resulted in his pension being decreased somewhat. For the past year he has been laid off as the result of a stroke, and will never work again. He has a little investment income and would like very much to be able to pay in to the Canada Pension Plan in order to build up his pension. I know he cannot do so under existing Canada Pension Plan regulations. However, I wish the minister would explore ways and means of caring for people who are in this position. Here is a man who has paid into the Canada Pension Plan in good faith and who, because of an accident over which he had no control, now finds himself in a position where he will not receive the pension he thought he would receive. This man wants to build up his pension by his own efforts.

There is another feature about the Canada Pension Plan that I should like to mention. I do not know how the minister can work this out, but I wish he would explore the possibility with some of his officials. I have had many, many cases of this kind. There is a cut-off date, and a person must have paid into the Canada Pension Plan for three different years in order to qualify. Hon. members would be astonished if they knew how many people die before they can qualify, and whose dependants therefore are unable to qualify.

I know that if people do not meet the deadline and qualify, you cannot include them in the scheme without destroying the scheme. Surely, though, there should be some way of protecting the interest of a person who almost qualifies; there ought to be some special emergency fund or some way of meeting that situation.

Another point I want to raise is connected with the food and drug directorate. On several occasions a group of women from the Ottawa area have approached me with a problem, and this goes back to the minister's predecessor. These women assure me that there are pills being distributed in the Ottawa area which are supposed to induce an abortion, and which do no such thing. The pills are being distributed by physicians, whose names these women have. They want these pills analysed by the food and drug directorate because it is felt the women ought to be advised that the pills do not induce an abortion. These women have checked and the pills have not brought on abortions. They are afraid the pills may have a very deleterious effect on body tissues or on general health. I should like to find out whether it would be possible for the food and drug directorate to make an analysis in such cases. It seems to me if there are such things being done and these women assure me they have documents to support their contention the food and drug directorate ought to be available to analyse the pills so the women could be told whether they are safe or harmful.

I have one more suggestion to make to the minister, which is not going to cost a great deal of money to the department or anyone else but would make a great deal of difference to the elderly people in this country. I know elderly people who are still vigorous enough that they desire to do small jobs such as babysitting or working around gardens. They do need every bit of extra revenue they can get. It seems to me that individual initiative would be encouraged if the means test ceiling were removed. If these people earn enough extra income to get into the category of regular taxpayers, then by all means tax them, the same as anybody else. However, over and over again people come to me and say, "I cannot take this job; if I do my pension will be cut."

The same situation applies to veterans and their dependants. It seems to me also that we waste a lot of money on social assistance because we will not allow these people to get off social assistance by their own efforts. We may say we do not have to pay social assistance because it comes out of the provincial treasury, but in the final analysis this money still comes from John Q. Public and Jane Q. Public. Why do we not remove this ceiling, so these people can go out and do whatever chores they can perform. Then, if they earn sufficient to get into the regular income tax bracket, just tax them the same as anyone else. I believe this makes good sense.

The government talks about making Canadians into first class citizens, and cutting

out this business of fencing them behind provincial walls or language barriers. I want this income barrier taken down. It seems to me this is a logical step toward a just society. We should let people exercise their initiative and earn what they can, then let them pay taxes the same as anyone else. Our attitude indicates the survival of the old poorhouse mentality. It is bad enough to have people who are elderly and poor without reminding them they are second class citizens. I would appreciate a reply from the minister on these points.

Mr. Perrault: I believe hon. members of the house, on both sides, Mr. Chairman—and this has been expressed in recent hours—are impressed by the minister and his approach to the problems of health and welfare of the Canadian people. All of us have great hopes for health and welfare in this nation, under the direction and guidance of the new minister. I find myself in sympathy with some of the problems raised by members on both sides of this house during the discussion of these estimates. In my opinion, one of the great tragedies facing many Canadians today is the diminution in the purchasing power of the dollar, and the disastrous effect this is having on those living on fixed incomes, namely retired civil servants, retired members of the R.C.M.P. and other pensioners. These people put their dollars away in savings, having earned their salaries at a time when a dollar was worth a dollar in terms of purchasing power.

• (4:40 p.m.)

They now find, Mr. Chairman, after years of being good citizens and taxpayers, that they are receiving dollars that simply do not purchase the means to maintain a decent standard of living. This is a matter that should be the concern of all of us, regardless of party; it is not a partisan question. We should do everything in our power within the ability of the nation to improve the level of compensation for those on pension, regardless of where they live in the country and the amount of pension they enjoy.

In actual fact, Mr. Chairman, all of us have a responsibility to these people, who in a sense, have been legally deprived of their means. If they had had money stolen from their bank accounts, then this would have been an indictable offence. But society has condoned and given a kind of legal sanction to the diminution of the purchasing power of the dollar. We all bear a collective responsibility to help these people within the ability of the economy to provide for them.

At the same time, Mr. Chairman—and this was well stated by the hon. member for Ottawa West—if we provide increases in social welfare payments, with an utter disregard for the state of the economy and the effect that such increases may have upon inflation, then it could well be that many of these increases would be self-defeating, that any increase in purchasing power would be illusory and be eroded by inflation. I think that all members of the house are sympathetic to the problems of our elderly people, our senior citizens, many of whom are suffering from physical disability. We should be very mindful of their plight.

Shortly, Mr. Chairman, we are going to engage in our quadrennial orgy of self-recrimination about our failure at the Olympic games. Every year we undergo an exercise in national anguish when we stumble at the world hockey tournament. On a cyclical basis we engage in breast beating about our commonwealth games humiliations. I believe, Mr. Chairman, that we have to do far more to extend assistance to health and welfare programs in the area of athletic development and physical fitness.

On looking at the estimates for this year,—and I say this not by way of criticism—I find that we are budgeting for an increase of over $3 million in grants to the Canada Council. The level of support for fitness and amateur sport remains exactly the same. The total dedicated to the Canada Council is $20.5 million; the amount to fitness and amateur sport is the same. I am not opposed to the advancement of culture in our country, Mr. Chairman, but I am one of those critics, I am afraid, who does not think that public funds are being well spent when we import people from New York to smash pianos in Vancouver and pour blood over the result. This, Mr. Chairman, is supposed to provide some sort of experience for the audience. As I say, this is not money well spent.

I believe, Mr. Chairman, that what we have to do, as far as our young people and society generally are concerned, is to invest more money in a positive program to promote and advance the intellectual, cultural and, yes, the athletic development of our youth. I think this would be worth a hundred times as much as any expenditure for the creation of

new facilities to incarcerate youthful adventurers. Government estimates across the country, whether provincial or federal, show a vast increase in the amounts budgeted to imprison youthful offenders. Yet we seem to hold the line in almost every level of government on programs to rehabilitate our young people and prevent social problems before they begin. I think that this situation is really scandalous. We intend to invest $5 million in the promotion of fitness and amateur sport, an amount equivalent to that which would be required to construct five miles of roadway in the Fraser canyon in the province of British Columbia. This, Mr. Chairman, is not good enough.

A nationwide fitness program, a program of physical development to promote amateur sport, entered into in conjunction with provincial governments and local organizations, is one of the best areas in which to invest our money. I believe that the national advisory council on fitness and amateur sport should be granted powers beyond its present limit of merely being an advisory body. The council should become semi-autonomous. What we need is the establishment of a Canada-wide sports foundation. This should act as a depository for individual donations for the advancement of Canadian athletics, such donations to be deductible for income tax purposes up to a certain figure.

Every time Canada fails at the Olympics, Mr. Chairman, there are people who say that the game is the thing, that it really does not matter who wins. This is nonsense, and we really do not believe it at all. We should like a Canadian hockey team to win an international competition once in a while. We have sent our valiant athletes to Mexico City—and they are valiant, Mr. Chairman, because in order to get them there we had to have a tin can collection in Vancouver. We had to beg people for their assistance in getting our athletes to Mexico City, and this is why they are valiant athletes. These men and women are racing down there and carrying the flag of Canada under the most difficult possible conditions.

As I say, Mr. Chairman, I believe that we need a semi-autonomous body to promote fitness and amateur sport. Specific programs should be directed to the promotion of competitive athletics. A general fitness research program for the country, a program to promote useful leisure time activities and recreation, should be a separate program under the minister's department.

[Mr. Perrault.]

As I say, at the present time the national advisory council on fitness and amateur sport is an advisory body only, not an action-taking body. I hope the minister will change its status. All of us are encouraged by the fact that a study of sport is now under way in this country, and it is to the minister's credit that he supports and sponsors the study and has made a number of announcements about it. We need a semi-autonomous body to direct and administer a program based on policies that are recommended by the advisory council and approved by the minister. We need long range planning and the establishment of goals. We need an adequate budget for this competitive program and for the general fitness program.

When we talk in terms of $5 million for fitness and amateur sport, Mr. Chairman, I am impressed by the fact that, according to some figures given to me, Canadians from coast to coast spent the sum of $1,129,310,000 on alcohol, wine and beer and other spirits. A fantastic amount, Mr. Chairman: Over $1 billion is spent on booze. Yet $5 million appropriated to fitness and amateur sport, money spent to help people direct their efforts into constructive channels, is the limit of our capability.

The tax revenue received by the federal government in 1967 by way of tobacco sales tax amounted to $461,266,414. I am not indicting the federal government or the minister; he is just starting out with this program. However, we do need an entirely new approach toward our priorities. For example, figures are presented each year in the province of British Columbia showing the profits derived from the sale of alcohol. Last year the premier of British Columbia said that the province had made a profit of $40 million from the sale of liquor. Yet alcohol in the province of British Columbia causes $85 million worth of social damage each year.

If we project that situation into the national scene we find we are heavy losers in the whole area of alleged "revenue" from tobacco sales and the sale of alcoholic beverages. Surely some of the profits that are derived from such sales should be spent to a greater extent on the promotion of fitness and amateur sport. I hope that the department engages in a far more vigorous program of education in the months and years to come.

A few years ago in Manitoba a study of alcoholism was conducted. May I quote from

page 66 of the report of the royal commission on the health of the Canadian people:

• (4:50 p.m.)

—it appears to be firmly established now that further progress can be made and lasting success achieved only, as in the case of smoking, by an effective educational campaign. As the Honourable John Bracken recommended in a personal addendum to the exhaustive report of his commission inquiring into the use of alcoholic beverages in Manitoba in 1955:

The part that follows is a quotation within a quotation. The words are taken from the 1955 report in Manitoba, and are as follows:

Make known the truth about liquor and thus explode the myths and folklore and unfounded propaganda on both sides of the liquor problem ... Maintain an informed public opinion based on the lessons of experience and the facts of science; a restoration of faith in what is said about liquor is overdue.

This is not a call for prohibition. It is a suggestion that we ought to examine social ills like these and see what can be done about their amelioration by the federal government. It seems to me that we ought to be devoting millions more dollars each year to providing constructive programs that will prevent social ills, such as the ones I have talked of, from arising.

Earlier I said that I believed the government ought to provide tax credits for individuals who contribute money for the purposes of amateur sport. We must have facilities that will promote fitness, during the leisure of our people. Right now our fitness and amateur sport programs seemed to be tailored to the production of athletes; our facilities do not benefit those people who wish to take up fitness and amateur sport activities in their leisure. The present act must be fully implemented if we are to have amateur and recreational sports. We must concentrate our programs in such a way that they will benefit our national athletes. Our programs must benefit those who take part in hockey tournaments, in the Olympic games and in activities such as the Pan-American games. Our Canadian athletes must have opportunities to compete equally with other athletes of the world.

Problems to do with recreation in sport ought to be handled differently than at present. In order to implement our programs to their fullest extent there must be co-operation between the appropriate levels of all provincial governments. Last year under our fitness and amateur sport program we spent, on amateur sport, a total of $3,465,222. Approximately $2 million went to the Pan-American games in Winnipeg, a very successful endeavour, and, under federal-provincial cost-shared programs, $669,289 went to all provinces taking part in that program, with the exception of Quebec. The province of British Columbia in 1966-67 received $88,000. I do not think these figures are adequate, Mr. Chairman, and I hope the minister feels as I do. I hope that under his direction grants for the purposes of fitness and amateur sport will be increased.

Many in Canada believe that the government ought to match contributions of provincial governments in the building of facilities to be used in sports. If we are to produce outstanding athletes in this country we must have the facilities in which they can be trained and in which they can compete.

Let us remember that last year $188,675 went to 110 university students in postgraduate bursaries in physical education and recreation. That is not enough, when one considers the enormous profits derived from the sale of tobacco, alcohol and various substances, the consumption of which gives rise ultimately to social problems.

We invested $153,995 among 586 students in undergraduate scholarships and bursaries with respect to physical education and recreation. That amount is one-tenth of the cost of constructing one mile of highway in British Columbia. I do not wish to dwell on the point at length. I hope I have made the point that we ought to do more for fitness and amateur sport in this country. I know that if the minister is anxious to bring about reforms in this area he will have the support of many members in this house.

Mr. Lundrigan: Though it is close to five o'clock, may I say that I have enjoyed listening to hon. members. I have not all the time at my disposal I should have liked to have, nevertheless, that will not prevent my congratulating the minister on his appointment to a most challenging portfolio in national health and welfare. As one of the new members of parliament, I have been most impressed by him, and I feel that he will acquit himself well in the challenges he is facing.

If there had been time I should have gone at length into the question of improvements in social welfare programs. There are some in this country who have not benefited as much as they might from our social welfare programs. I am thinking of those who may be too old to be employed by private companies and too young to benefit from some of the government's old age programs. There are quite a

number of Canadians in this category who have been left out in the cold, so to speak, and I commend them to the government for its consideration.

I also wish to speak of certain people who, because of certain physical characteristics or handicaps, are not able to be fully or adequately employed. I expect many members ran into this situation when campaigning in their ridings. If I had had time I should have dealt at length with the plight of these people.

Also, if I had had time, I should have wished to talk about our young people who, because of special disabilities, need special training. I know that $40,000 is being allocated in these estimates to the Canadian Association for Retarded Children. If I had had time to question the minister I imagine I would have been told of the ways in which, through the media of hospitals and other institutions, the federal government is helping disabled or handicapped people to become useful members of society. I urge the government to consider ways and means of helping our disabled people make their way through society.

The Deputy Chairman: Order, please. The time being five o'clock it is my duty to rise, report progress and request leave to sit again at the next sitting of the house.

Mr. Lundrigan: Mr. Chairman, before the committee rises, may I make one or two more comments?

The Deputy Chairman: Is that agreed?

Some hon. Members: Agreed.

Mr. Lundrigan: I wanted to ask the minister whether he would consider, through his department, assisting with respect to the construction of the hospital in St. John's, Newfoundland. I hope the matter of the hospital receives the minister's consideration.

My last point is—and I do not wish to abuse the privilege extended to me—that I hope the minister's estimates pass the committee. So far as I know there are no major objections to them. We have made our points, and we wish the minister well in the consideration of his estimates.

Progress reported.

• (5:00 p.m.)

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Béchard): I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate has passed the following bills to which the concurrence of this house is desired: Bill S-4, An Act respecting the marking of articles containing precious metals; Bill S-10, An Act to amend the Customs Act; Bill S-6, An Act respecting The Canada Trust Company; Bill S-7, An Act respecting The Huron and Erie Mortgage Corporation.

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

Mr. Deachman: Mr. Speaker, I have standing in my name on the order paper item No. 9, Bill No. C-16, an act to amend the Canada Elections Act (students' franchise) and I understand there may be a disposition on the part of the house to go ahead with that bill today.

[*Translation*]

Mr. Knowles (Winnipeg North Centre): Agreed.

[*English*]

The Acting Speaker (Mr. Béchard): Is it agreed that orders Nos. 1 to 8 shall stand, by unanimous consent, at the request of the government?

Mr. Knowles: Agreed.

CANADA ELECTIONS ACT

AMENDMENT TO FACILITATE EXERCISE OF FRANCHISE BY STUDENTS

Mr. Grant Deachman (Vancouver Quadra) moved the second reading of Bill No. C-16 to amend the Canada Elections Act (students' franchise).

He said: The little bill which I am presenting to the house today asks for a very simple amendment to the elections act for the purpose of seeing that university students entering university at the time of the issue of a writ of election are not in the situation in which students were put in 1965, when many thousands of them moving from their homes to other constituencies where they would be residents in universities found themselves disfranchised. At the time the election writ was issued on September 8 many Canadian students—and I am thinking particularly of students in small communities—were moving to university cities and university constituencies. If they were not in residence and registered at the university at the time of the issue

of the writ they were deprived of the opportunity to vote in the election in their university constituency, although they might have arrived there only a few days after the writ was issued, indeed while the lists were still open and while, under the elections act, there were opportunities for them to be enrolled.

This is the result of an anomaly in the elections act which deprives many young people of their vote for the first time when a situation such as the one which occurred in 1965 arises at the time of a general election. In my own constituency is located the University of British Columbia which today has a student enrolment in excess of 20,000 in regular courses during the winter months. At the time of the election of 1965, enrolment was in the neighbourhood of 16,000 students and we estimated that between 2,500 and 3,500 of them lost their votes because of the peculiarities of the elections act, to which I have referred. Today of course, with an enrolment in excess of 20,000 the number would be even larger, and across the country the number of students disfranchised would naturally be far greater still.

It is a peculiarity of the elections act that commonwealth students attending universities in Canada did, in 1965, have an opportunity to vote in that election, while many Canadians moving from their homes to the universities, did not. The circumstances are that commonwealth students, once they have gained residency after six months or a year—I do not have the act in front of me—are permitted to vote. Also it is the habit of many commonwealth students not to return to their home countries while they are pursuing their studies but to remain in this country for several years. So Canadian students saw their colleagues from commonwealth countries enfranchised, while they themselves were denied an opportunity to vote.

I wish to deal with what the act presently provides in the cases of clergymen and teachers, in respect of whom this problem has already been recognized. I refer to chapter III of the Canada Elections Act, revised statutes of 1952, section 16, subsection (7) which reads as follows:

• (5:10 p.m.)

For the purpose of a general election, any of the following persons who, in the interval between the date of the issue of the writ of election and polling day, changes his place of ordinary residence from one electoral district to another, is if otherwise qualified, entitled, if he so elects, to be included in the list of electors for the polling division in which he is ordinarily resident at the time of his application, and to vote at the polling station establish therein, if,

(a) being a minister, priest or ecclesiastic of any religious faith or denomination, he is in charge of or permanently attached to an established place of worship or recognized mission of his church situate in the electoral district to which he has removed; or (b) being a teacher, he is employed under a contract with the appropriate educational authority and is engaged in teaching at a school situate in the electoral district to which he has removed.

So, the act already recognizes the problem in the case of ministers, priests or teachers who move from one electoral district to another to take up a new post. It is under subsection (7) that I believe we can make a very simple amendment which would take care once and for all of the problem of disfranchised students. I brought this little bill into the house after the incident of 1965, and it was debated in the house. I made every effort to determine whether or not this little amendment could be passed. Unfortunately the bill did not pass at that time. There was some debate about it and a number of bills were referred to the committee on privileges and elections.

Time has passed however, and here we are in another parliament. Nothing has been done about enfranchising the students. Therefore I am presenting my little bill again, one which contains a simple amendment. I am sure this amendment would not rock the boat of the chief electoral officer. I am also sure that it would correct the problem which faces students at the time of a September election.

I should now like to read to hon. members how I believe subsection (7) of section 16 could be amended. It would be necessary simply to add after the end of paragraph (b) another paragraph (c) which would read:

(c) being a student, he is duly registered and in attendance at a recognized educational institution, and for the purpose of this subsection such student shall be deemed to reside in the electoral district in which he has temporary residence and not in the electoral district in which he would otherwise have his ordinary residence.

This is a very simple amendment which could be made to the Canada Elections Act. I submit that it would not bring down the wrath of the Almighty on our heads, or cause any harm, and that, at last, it would allow students, after the procrastination in respect of the disaster of 1965, to be enfranchised. That is all I am pleading for this afternoon. In closing I should like to say that the Canada Elections Act is a curious old antique. It was written in the days of our fathers when

they campaigned by buggy in the snow and ice of Ontario and Quebec during elections of that period. It has been updated very little since that time. It is rather like the rules of our own House of Commons, very slow to yield and very slow to change.

I should like to suggest that there is an easy way in which we could bring about improvements of this kind to the Canada Elections Act, without having to procrastinate and pass them along from parliament to parliament. We should include in it a clause which says in effect that in the first session following a general election the Canada Elections Act should be referred to the committee on privileges and elections of the House of Commons, and there be amended and updated.

There are no people who are more concerned, and more able to deal, with this piece of legislation than the members of the House of Commons themselves. They are the ones who are affected. They are the ones who understand what the act is about and who understand what happens in respect of the votes of the people when the act is not properly amended and updated. I submit that legislation such as this, in our changing times, should, for the protection of the electorate of Canada, have built into it a clause of this nature so that the act would automatically be referred to the committee on privileges and elections in the first session following a general election. If this had been done, for example if this little clause for which I plead had been passed during the parliament of 1965-68, I am sure we would not be here this afternoon pleading for this small amendment. If you, sir, were to pick up the routine proceedings and orders of the day and look at the public bills that are before the House of Commons today you would find a number of them on the subject of changes to the Canada Elections Act. These are all good bills which contain good proposals, requiring the attention of the house for the purpose of improving the Canada Elections Act.

My plea, therefore, is that we find a way automatically to upgrade this act at every election. My specific plea this afternoon is that we settle now the problem of these students by inserting this clause in the Canada Elections Act, so that the students will be able to vote during the next election, if it happens to be called at a time when they are moving to the universities.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to congratulate the hon. member for bringing to the attention of the house in this private members hour a matter of great importance. I recall very well the disappointment among the university community during the 1965 election. Many of our young people were disfranchised. It is unfortunate when any Canadian, student or otherwise, is disfranchised and unable to cast his vote. It is particularly regrettable when young people, who would otherwise be casting their first vote, find that they are prevented from doing so, as was the case during the election of 1965, one which was hastily called to bring about a certain desired situation which it did not bring about.

One aspect of the hon. member's bill which comes immediately to mind is that it is a suggested amelioration, and a good one; but as with so many aspects of the electoral machinery it is merely a stop gap. It is a bandaid where we need a significant restructuring of the whole organism. I realize also that every session in preceding parliaments we have had a number of private members bills which have suggested changes to the Canada Elections Act. Many of them have been good; many of them have been overdue. I would suggest, however, that while there is merit in making some improvement, we must face up to the fact that the Canada Elections Act is in basic need of overhaul, redrafting, amendment, and revision.

To be specific, I suggest that the hon. member's suggested improvement could add a safeguard for students at Canadian universities. But there are many students who are not studying at Canadian universities. A student who is taking postgraduate work at McGill University would be protected by this legislation, but if he happened to be at the London School of Economics or Harvard University he would be disfranchised.

• (5:20 p.m.)

I mention these facts to indicate that we are moving toward some basic improvement in our election machinery, but we are constantly going to discover after the fact, or after an election, to be more precise, that certain segments of the Canadian society have not been able to cast a vote.

These things have been tried in other jurisdictions and they have worked, but there are measures whereby the broadest possible participation of the potential electorate may be guaranteed. One of these is the system of absentee voting. Under such a system a student at Harvard would be entitled to cast his

vote, whether or not he happened to be in the middle of an academic year or within the confines of the Dominion of Canada.

I suggest that the absentee voting system is the kind of thing that would embrace all of these categories of people. It strikes me that we suffer gravely from a lack of attention to the Canada Elections Act. Some of us during the preceding two parliaments have suggested and requested that the committee on privileges and elections consider amendments to it. Every election brings out all sorts of problems in respect of the machinery, and after three or four elections it is now time to consider seriously substantial amendments to bring this act up to date.

The hon. member is concerned about what happened to students in 1965; but there are other problems. We must look at the whole question of permanent lists. I do not believe the absentee voting system can work unless there is a permanent list. It is our job as legislators to be observant and to make sure that when an election is held it is held under circumstances allowing as many Canadians as possible, and without hardship, to exercise their franchise. Elections should be free and they should, in the sense of participation, be full. There is much we can do.

We must make improvements. We now have provisions whereby young men and women in the military forces may vote in any part of the world where they are stationed. It is suggested that this should also be true of individuals in the Department of External Affairs stationed outside the country. Why should these civil servants be disfranchised when people in military forces are able to cast a vote? This is an anomaly which can be corrected by the use of an absentee voting system. But this should not only apply to civil servants and military personnel, it should apply to people who are employed by companies such as Brazilian Light and Power, and stationed abroad. If they are still Canadians they should be able to cast a vote.

While I like what the hon. gentleman has suggested—and if a miracle happens and it comes to a vote I will vote for it—I am inclined to think he is moving one step in a direction in which we have to take several giant steps. I hope he will use his great influence within the Liberal caucus—perhaps within a committee of 35—to see whether we can get the Canada Elections Act referred to the appropriate committee. After the last election, when these things are fresh in our minds, we should give appropriate attention to a thorough consideration of this act and the machinery provided by it.

Mr. Deachman: I hope the hon. member will not mind my reminder that a journey of a thousand miles begins with a single step.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in support of what I think is a rather innocuous amendment, I should like to congratulate the hon. member for Vancouver Quadra and indicate that he has my complete support. One of the difficulties of being the third speaker is that the ideas one wishes to express have usually been expressed before. This makes these expressions redundant and repetitive. Perhaps this is not true of a new member of the house, or at least that is as it has appeared to me since my arrival.

I thought the mover of this bill was going to be guilty of talking it out, but he did give us a very thorough explanation as to why this amendment should be made. He also suggested that because his riding embraces the University of British Columbia this matter was of particular concern to him. He referred to the disfranchisement of students on that campus, where the enrolment is between 17,000 and 18,000.

The hon. member felt there was an anomalous situation in that many of these young persons who were eligible to vote for the first time were deprived of that privilege. I support him, in that some arrangement might be made so that university students away from home may vote at election time, between the date of the issuing of the writ and the election date. They should not be deprived of this right, and something should be done to correct the situation.

The hon. member for Vancouver-Quadra seemed happy to think that most of these young people at the university would vote for him. I know I will be forgiven if I suggest that a great number of them may vote for the N.D.P. candidate. I am sure the hon. member will not criticize me for taking this view.

He mentioned the 1965 election, which was held on November 8, and suggested that a calamity occurred at that time. A great number of university students were disfranchised at that time because they had moved from their homes to the university for the purpose of registration. A similar problem occurred during the last election. On April 23 the writ was issued and a number of students were at university at the time of enumeration. They were deprived of their vote because of the

difficulty involved in travelling to remote areas in the provinces on election day.

There is another matter of concern to me in this regard, a problem which involves fishermen. A great number of them have been disfranchised during the years because there is no provision for absentee polls, except in the case of servicemen. There is no transferring of a ballot to take care of the situation which exists when people are required to be away from home on election day. Certainly the advance poll system is a step in the right direction; but in this day of great mobility many people other than clergymen are obliged to move around the country.

We should always be concerned about any move which will increase participation in the election process. My colleague, the hon. member to my right, has just handed me a note which would indicate that because of the provisions of the Canada Elections Act he was deprived of his vote during the last election. I do not suppose he minds too much, because he received a vote of confidence in that neighbouring riding.

• (5:30 p.m.)

Another thing we might look into when we are examining this whole aspect of elections, as was suggested by the hon. member for Hillsborough (Mr. Macquarrie) in his very articulate and eloquent manner, is the matter of election expenses. I think we should do a great deal more in this regard. While we are discussing generally the provisions of the elections act, it seems to me—and I certainly agree with the hon. member for Vancouver Quadra (Mr. Deachman) on this point—that many of our procedures under the act are anachronistic. One that comes to mind, and there are a number of problems associated with it, is the matter of a poll clerk being required to live in the riding in which he acts on election day. This causes a great deal of difficulty, and the chief electoral officer has refused to issue warrants in order to pay poll clerks who worked on election day but were not resident in the riding.

Once upon a time, when everybody knew everybody else in the rural areas, the matter of identification was important. I think it is irrelevant in an urban riding. I shall not prolong this line of argument, Mr. Speaker, because I see you are getting ready to call me to order. I shall get back to the central point on the bill, because I think it would be in order to proceed with this matter forthwith. It appears to me that there is unanimous, or almost unanimous agreement on both sides of the house that this small step might be proceeded with, and with the utmost despatch. I close by saying that I hope there will be no further speakers on this bill and that it will be allowed to come to a vote.

Some hon. Members: Hear, hear.

Mr. Rose: May I also say that as a new member of parliament, with minimal experience here, there seems to be a great deal of wasted effort associated with private members public bills. While we are considering a review of our parliamentary procedures I think we might also consider the question of the disposition of these bills. Many of them are very interesting and enlightening, but it seems to me that the only prospect for most of them is to be talked out. If we are looking for one way in which to improve our parliament, it might be to suggest some disposition of private members bills other than that of being talked out. I hope the question will be called on this bill and that the house will pass it.

Mr. Stanfield: Mr. Speaker, I just want to ask the mover of the bill a question. What does this bill do to a college student who is resident at a college or university at the time of enumeration, who completes his session at the college before voting day and in the ordinary course of events would return to his home constituency and would not be at the university or college on election day? What would this bill do, if passed, in such a situation?

Mr. Deachman: Mr. Speaker, if I understand the hon. gentleman's question correctly, we are dealing with the case of a student who has been enumerated, whose term ends and who then returns to his constituency. I think when we reverse the process of what we have been discussing this afternoon, we find that the student has been, under the act, as would be the case following my amendment, registered to vote at the university and not at his own residence elsewhere in the country. In that case he would find himself again disfranchised, I presume. All the amendment does, as I see it, is to provide the simplest way of enfranchising those who were disfranchised by this peculiar situation in 1965, by including them as a class with clergymen and teachers moving to new positions.

Mr. Stanfield: I am very happy to participate in anything to enfranchise students who were disfranchised in 1965, but I am very unhappy to be asked to take part in passing a

measure which might disfranchise students at the next election, when they have a vote under the existing arrangements.

Mr. D. W. Groos (Victoria): Mr. Speaker, I find this is not the first time I am in complete agreement with the hon. member for Hillsborough (Mr. Macquarrie) and the hon. member for Vancouver Quadra (Mr. Deachman). I think this is a good bill and I am going to vote for it. However, before I resume my seat—and I shall take only a few minutes, so that the bill may come to a vote—I would like to point out that there are a number of other amendments in the Canada Elections Act which also bear consideration and should be revised in the very near future. Some of these have been mentioned in passing by other speakers, but I believe they bear repetition.

With regard to people who happen to be in hospital, surely in this day and age we should be able to find some means of allowing them to vote in their home riding and not in the riding in which they happen to be in bed. I believe a study of this situation could resolve the matter and an amendment could be incorporated in a revision of the Canada Elections Act.

Then there is the matter of absentee voters, people who will be out of the country and know ahead of time that they will be out of the country at the time of the election. It should be a fairly simple matter today, particularly when we have the advantage of computers and every other known mechanical device, to register these people to enable them to cast their vote before they go away.

I come now to persons—and I am not exactly sure of my ground in this case—on embassy staffs abroad. I know that servicemen abroad are permitted to vote, and so are their wives, but I am not absolutely sure of the status of—

The Acting Speaker (Mr. Béchard): Order. I must tell the hon. member that the bill under study deals with the franchise of students. The hon. member must restrict his remarks to this point.

Mr. Groos: Thank you for bringing my attention to that, Mr. Speaker. I am speaking, of course, of students at embassies.

Some hon. Members: Oh, oh.

Mr. Groos: I would also like to mention the question of servicemen, many of whom are also students, I might say, and their wives. When they return from abroad, the husbands having carried out the duty required of them by their country, they find they are not permitted to vote unless they have been back from abroad for the minimum period of six months. I believe this matter bears looking into. I agree once again with the hon. member for Hillsborough, and I shall not oppose the passage of this bill. I shall vote for it. However, I believe the complete Canada Elections Act is in need of something more than the bandaid repairs to which the hon. member referred, of which this bill is but one example.

The Acting Speaker (Mr. Béchard): The hon. member for Gander-Twillingate (Mr. Lundrigan).

Mr. Lundrigan: Mr. Speaker, could I offer the floor to my colleague, who was on his feet before me?

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I rise this afternoon because it is not very often that I can support a Liberal bill. I want to congratulate the hon. member who introduced it, and it will certainly receive my support, because I believe it is very important. In what I shall have to say I shall require only a few minutes.

As has been said, this bill is very important not only to the student population but to many other people in this country. We often speak about young people and we want to get them interested in Canadian affairs. We want them to play a more active part in Canadian politics, and yet we prevent them from voting. This is not justice. Students would be a lot more responsible if they were allowed to vote. It is perhaps through lack of interest in Canadian politics, or because they are not allowed to vote in some instances, or maybe because of a lack of understanding that students have turned to other ways of participating, such as demonstrations. It is through voting and through exercising their franchise that students can become more responsible and more interested in Canadian affairs and politics. This is great, so let us allow students to exercise their franchise.

• (5:40 p.m.)

Mr. Murray McBride (Lanark and Renfrew): Mr. Speaker, I wish to make but a couple of points. I do not think what I shall say has been underscored by anyone who has taken part in the debate thus far. I shall get

directly to my first point, that I wish to support the bill because I think its merit must be obvious to all.

However it seems to me that the main urgency of a bill like this has to do with the fact that it appears to many of us, among whom I wish to be counted, that within a very short time we will be lowering the voting age in Canada to below the present level of 21. If and when we should do this it seems to me that, whereas there are some thousands of people now who are able to vote while they are at university since many go to university at the age of 17 or 18 it is obvious that many thousands more of them are involved. Therefore this bill takes on an even greater urgency and seems to me to be even more important. I think all members of the house will agree that this is a most desirable measure on two counts, the first of which is that we enable as many people to vote as possible, especially the younger people, and second, that if possible we lower the voting age.

The hon. member for Vancouver Quadra (Mr. Deachman), who introduced the bill, referred to the Canada Elections Act as an antique. It seems to me that antiques are something that should be placed in museums and looked at but not handled, used and worked with. All hon. members know that the whole point of the Canada Elections Act is that it shall serve a useful purpose, not only in the present but in the future. Therefore I am concerned that this bill is a rather small item in what seems to me to be a very large cause. In other words, we should be entering into a rather significant revision of the act rather than altering a small section of it.

The third point I want to make is this, that to be against this bill would make one seem to be against youth, and in a culture such as ours to be against youth is rather like being against motherhood. Everybody is for youth. I will therefore underscore the fact that we must continually do what we can to give all young people in Canada a sense of involvement.

Earlier on in the day reference was made in the house to the very outstanding speech of the Minister of National Health and Welfare on October 9 in the city of Hamilton, one that I would urge all hon. members to read if they have not already done so. In it the minister spoke about the sense of isolation, of phoniness and of meaninglessness that is especially common to young people. It seems to me that this is not new, because it was brought out as long ago as in 1951, when Salinger's book entitled "Catcher in the Rye" came out and caused many lifted eyebrows. The whole point of the book was that a young man by the name of Holden Caulfield perceived the essential phoniness of the society surrounding him. Anything we can do in the parliament of Canada that will say to the young people, come and share with us in shaping the destiny of our country, in becoming involved and committed, I think is a good thing.

It is only on rare occasions that I agree with the approach of the government of the province of Alberta. However, I believe there is one useful thing they have done, and that is to establish a department of youth within that province. The second of their aims and objectives reads as follows:

> To stimulate interest in youth training for leadership in social, cultural, business and public affairs.

I wish to emphasize particularly the last term "public affairs" because it seems to me to be one of the paramount purposes of parliament, namely to encourage greater interest in public affairs among the young people of Canada. And I think this measure goes a long way toward doing that. This is a small bill and it does not do enough of what needs to be done to the Canada Elections Act, but it is useful and in a sense it honours youth. Therefore, Mr. Speaker, I support the bill.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I think the hon. member opened a tin of worms when he brought up today the matter of the Canada Elections Act. In the few weeks recently when I was engaged in electioneering I do not think there was anything which came to my attention as frequently as the matter of the Canada Elections Act, which gives the Canadian people the right to vote, to elect their representatives and to choose a form of government.

I think the whole business of people who are in the process of moving from one place to another should receive attention through amendments to the Canada Elections Act. I remember that during the last election quite a few construction workers in my constituency who had moved into the surrounding communities were disfranchised as a result of not being able to get back home in the few hours in which they were relieved from employment that day. Quite a number of people in the maritime areas are at sea during periods of elections. Again I say that if one were to review the Canada Elections Act in detail he

would find that people who are hospitalized during elections find great difficulty in voting.

I would not like to make a guess as to the political leanings of students at the University of British Columbia. However, I would say instead that in our Newfoundland and east coast ridings students are very adept at judging the political affairs of the nation, and I would have no reluctance in allowing these people to vote in any riding in which I might be represented.

I would not like to say that the particular amendment to the act which we are considering was precipitated by any selfish motive, because I am quite aware that the hon. member who sponsored the bill is very interested in trying to promote student franchise across the whole dominion. However, I am not quite certain that the sole criterion of residence will in any way be a solution or even a major step on the thousand mile journey referred to by the hon. member. I found that one of the major problems of disfranchised students during the election was with regard to people moving from university back to their places of residence.

As we all remember, in the last election many students found themselves back home on June 25 after having left the university. This was the point raised by the Leader of the Opposition, and I think this is one of the major points which should receive consideration with regard to any amendment of the act governing the affairs of students. If we were to appoint a committee, it would have to spend a year going into all the numerous ramifications of student voting privileges, and even then we would have difficulty in resolving our problems.

• (5:50 p.m.)

I am sure the minister is very concerned about bringing in changes which will benefit students. My only criticism is that I do not feel all the factors governing student voting have been taken into consideration. For example, if I were introducing such an amendment or trying to change the present elections act to bring it into the twentieth century—right now in a good many respects it is mediaeval—I would like to get the opinion of students across the dominion. I should like to know the feeling of students on some of the amendments they would like to see introduced. I do not believe I would fool anybody if I were to stand here today and try to point out to students the way in which the elections act should be modified in order to help some of the people in my constituency. I feel therefore that the opinion of students should certainly be sought in trying to bring about the changes we deem necessary.

In view of the interest the hon. member has in student voting, I would recommend that perhaps he begin to move in the direction of seeking the advice of students right across the whole dominion. He could point out the nature of the present Canada Elections Act and ask for recommendations from student bodies. It has been my experience in dealing with student bodies in universities that the young people have a good deal of knowledge about the voting privileges of Canadians. The young people in the universities are quite aware that some of their rights are being trampled upon, and some of the benefits which should be enjoyed by all Canadians are being taken away from them. You must seek the advice of students in order to clarify some of these issues.

My only comment, Mr. Speaker, is that I feel with this particular amendment we are leaning in the direction of greater benefits for students in Canada. My criticism is that I do not feel we are going far enough. I would have been much happier if the amendment had been more general in nature. Right now one can think of points across Canada such as Edmonton, Calgary, the University of British Columbia and many eastern communities in which there are 10,000 or 12,000 university students.

I do not know all the ramifications of this particular amendment, and I should like a bit more investigation to be undertaken. We should initiate some kind of program which would gather a consensus from the thousands of students across Canada as to the changes they feel should be brought about in the Canada Elections Act. If we did so, we would be heading in a much better direction. We feel that this amendment and other general amendments should be referred to a committee so that this matter could be settled. I should like to say this is a step in the right direction, but certainly it is not going to satisfy many of the students I know.

Hon. Donald S. Macdonald (President of the Privy Council): I think it is evident, Mr. Speaker, from certain questions put by hon. gentlemen on both sides of the house that there is no unanimity on the subject matter of the bill. I feel it would be useful if the question could be studied further. My suggestion therefore would be that instead of passing second reading of this bill,

we should refer it to the standing committee on privileges and elections in which we will, later on, begin consideration of the elections act in general. Perhaps this suggestion in this bill could be considered in connection with certain other suggestions we will be receiving in respect of the elections act.

Mr. MacInnis (Cape Breton-East Richmond): Will the minister permit a question?

Mr. Macdonald (Rosedale): Yes.

Mr. MacInnis (Cape Breton-East Richmond): I have listened to remarks of hon. members in support of this amendment this afternoon, and they made no mention of being against this particular move.

Mr. Macdonald (Rosedale): I think the hon. member in back of the hon. gentleman expressed some doubt about it. In addition, I may say the hon. gentleman's leader has a certain hesitation about the bill.

Mr. Lundrigan: It was quite obvious from my remarks I was expressing, not reluctance but support for the hon. member, it was equally obvious that I said this was a good beginning. If the minister checks the record he will find I said it was a good beginning, but will have to be taken further. I am all for making good beginnings.

Mr. Macdonald (Rosedale): Nevertheless, I think I am right in saying there is a certain number who would like to refer the subject matter to the committee. I should like to move, therefore:

That Bill No. C-16, an act to amend the Canada Elections Act, be not now read a second time but that the subject matter of the bill be referred to the standing committee on privileges and elections.

Mr. Knowles (Winnipeg North Centre): Before this motion carries, and we hope it will, may I ask the President of the Privy Council if he will give an undertaking that he will also be referring to the committee on privileges and elections at this session the elections act itself, and the report of the committee on election expenses?

Mr. Macdonald (Rosedale): I have already indicated to the hon. gentleman's house leader that the government will be making a statement in that regard. I hope the committee will also give consideration to the not inconsiderable number of bills introduced by other private members of the house, some of which will not have the benefit of debate as this one has.

Mr. Baldwin: Would the President of the Privy Council be big enough also to include in such consideration the electoral boundaries as well, since there are two or three private bills concerned with this matter?

Mr. Macdonald (Rosedale): It is a very useful suggestion, Mr. Speaker.

Motion agreed to, and bill referred to the standing committee on privileges and elections.

The Acting Speaker (Mr. Béchard): The hour for the consideration of private members business has now expired.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Perhaps before the house adjourns I should indicate, for the benefit of hon. members, that the business for Monday will be as announced yesterday, namely second reading and committee stage of the bill to amend the Post Office Act.

Mr. Baldwin: On Monday?

Mr. Knowles (Winnipeg North Centre): That was the order for all next week, I take it?

Mr. Macdonald (Rosedale): No, that is the order for Monday; the farm bills will be dealt with on Tuesday.

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

HOUSE OF COMMONS

Monday, October 21, 1968

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARIANS FROM INDIA

Mr. Speaker: Order. May I draw to the attention of hon. members the presence in the Speaker's gallery of the very distinguished Speaker of the Indian lower house, the Lôk Sabha, Dr. the Hon. N. Sanjiva Reddy. Mr. Speaker Reddy is on his first official visit to Canada and is accompanied by the eminent secretary general of the Lôk Sabha, Mr. S. L. Shakdher. Hon. members will be pleased to know that Mr. Speaker Reddy will be with us as our guest until his departure on Friday morning for the commonwealth parliamentary conference in the West Indies. In the intervening period I hope that as many hon. members as possible will be able to meet our guests. I might draw to the attention of all hon. members the fact that a reception has been arranged for this purpose tonight at 6 p.m. in the railway committee room.

I know, Mr. Speaker, that all hon. members would want me to say on their behalf that we are indeed deeply honoured by this visit from such a distinguished parliamentarian from our great commonwealth partner in India, a country that shares with us all our traditions of parliamentary democracy.

PRECIOUS METALS

LEGISLATION RESPECTING DEFINITIONS, MARKING, ETC.

Hon. Donald S. Macdonald (for the Minister of Industry, Trade and Commerce) moved the first reading of Bill No. S-4 (from the Senate), respecting the marking of articles containing precious metals.

Motion agreed to and bill read the first time.

CUSTOMS ACT

AMENDMENTS RESPECTING SALE AND ABANDONMENT OF GOODS, ETC.

Hon. Donald S. Macdonald (for the Minister of National Revenue) moved the first reading of Bill No. S-10 (from the Senate), to amend the Customs Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

C.N.R. PASSENGER EMPLOYEES, NEWFOUNDLAND

Question No. 37—**Mr. McGrath:**

How many employees are required by Canadian National Railways to provide rail passenger service in Newfoundland?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: In the year 1967, 136 employees were required during the summer and 81 during the winter.

REGIONAL DEVELOPMENT EXPENDITURES, NEWFOUNDLAND

Question No. 82—**Mr. Marshall:**

1. What is the total anticipated expenditure for 1968 and 1969 under Regional Development Programs in the Province of Newfoundland?

2. What is the amount scheduled to be expended under these programs in Western Newfoundland?

3. What is the amount earmarked for short-term projects in the Province of Newfoundland and how much is earmarked for long-term projects?

4. What are the short-term projects to be started for the fiscal year 1968 and 1969 in Western Newfoundland, Area One and the amounts to be expended on each?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. 1968-69, $12,304,280; 1969-70, $7,565,000.

2. 1968-69, $644,515; 1969-70, $608,000.

3. Short term $19,869,280. There are no long term projects.

4. Provision of water systems for fish plants: 1968-69, at Isle aux Morts, $132,000; at St. Anthony, $280,000. 1969-70, at Englee, $122,000.

Questions

EXPO '67—JAPANESE RADIO STATION

Question No. 90—**Mr. McCleave:**

1. Was a request submitted by Japanese sources to set up an amateur radio station at Expo?

2. Was the request refused and, if so, for what reason?

Hon. Jean-Luc Pépin (Minister of Industry, Trade and Commerce): The Canadian Corporation for the 1967 World Exhibition reports that: 1. Informal verbal requests were received from Japan and other countries to set up amateur radio stations at Expo.

2. The exhibition corporation did not encourage these requests because: (a) it was felt that if amateur stations were set up by one or two nations, there would be many other similar requests and (b) this would result in a proliferation of unsightly aerials. The Japanese representatives recognized the good sense of these arguments and, therefore, did not make a formal request.

STRIKES IN CROWN CORPORATIONS

Question No. 100—**Mr. Fortin:**

1. During the last five years, what strikes occurred in Proprietary Crown Corporations?

2. How many days did each strike last and how many employees were affected by each strike?

3. In the case of each such strike, did the government or a Minister of the Crown intervene directly or indirectly to hasten the settlement of the strike and, if so, what was the nature of such intervention?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Minister of Transport as follows: The management of Canadian National Railways advises as follows: 1. One.

2. Seven days; 65,000 employees.

3. Yes; act of parliament.

The Management of Air Canada advises as follows: 1. One strike, International Association of Machinists and Aerospace Workers.

2. 14 days. 9,400.

3. No.

The St. Lawrence Seaway Authority advises as follows: 1. One strike from June 21st to July 14th, 1968, inclusive.

2. The strike lasted 24 days and affected 1,308 employees.

3. No.

[Mr. Honey.]

BILINGUAL POLICY, NATIONAL CAPITAL COMMISSION

Question No. 104—**Mr. Coates:**

1. Was M. Arnott appointed Assistant Director of Information for the National Capital Commission; does this position require that M. Arnott be bilingual and does he meet this requirement?

2. Is it government policy to have Ottawa become a truly bilingual National Capital?

3. How many employees are there in the National Capital Commission's information section, what are the names of each of these individuals in this section; what is the salary of each and the duties of each?

4. What is the total cost for services of the information section of the National Capital Commission for each of the years from 1958 to the present?

Hon. Jean Marchand (Minister of Forestry and Rural Development): 1. Yes; (a) no; (b) no.

2. Yes.

3. It has not been customary to require crown corporations to disclose detailed information related to their internal management and administration. However, the National Capital Commission's information and historical division has a staff of four information officers, an archivist and seven support staff with 1968-1969 salaries totalling $85,000. The Incumbents and their duties: Mr. J.-Maurice Landry, Director, public relations; Mr. Morrison Arnott, Chief, information services; Mr. John Tidman, Information officer; Miss Laurette Arvisais, Information officer; Mr. W. A. MacIntosh, Archivist; Mr. R. Emerson, Clerk; Mrs. C. Warren, Secretary to the director; Mrs. D. Parisien, Steno-typist; Mrs. L. Dompierre, Steno-typist; Mrs. D. Curtis, Clerk; Mrs. L. Bender, Clerk; Mr. G. Brisson, Clerk.

4. The information and historical budget for each year since 1958-1959: 1958-59, $36,000; 1959-60, $37,000; 1960-61, $64,000; 1961-62, $75,000; 1962-63, $79,000; 1963-64, $70,000; 1964-65, $98,000; 1965-66, $137,000; 1966-67, $147,000; 1967-68, $194,000.

FEDERAL CONTRIBUTION, COLD STORAGE PLANT, ST. BRUNO, QUE.

Question No. 116—**Mr. Gauthier:**

Did the federal government participate financially in the construction of the cold storage plant in St-Bruno, County of Lac St-Jean, and if so, how much was contributed?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Forestry and Rural Development as follows: Yes. $446,809 to date.

WORKS UNDER SECTION 92, B.N.A. ACT

Question No. 122—**Mr. Fortin:**

What works have been declared to be to the general advantage of Canada in the sense of the B.N.A. Act (section 92) since 1867?

[*Translation*]

Hon. John N. Turner (Minister of Justice): No list of such works has been maintained.

[*English*]

*ASSISTANCE IN COMBATING DUTCH ELM DISEASE

Question No. 127—**Mr. Alkenbrack:**

Since the government has cancelled any further federal assistance in Winter Works programs, what will the government do to assist the municipalities in their very expensive fight in combating Dutch Elm Disease, which is taking a terrible toll in the White and Grey Elm species in Central Canada?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, the programs undertaken by the federal government on the Dutch elm disease are carried out by the forestry branch of the Department of Fisheries and comprise surveys to detect the presence and spread of the disease, research and factors influencing susceptibility of elm trees to the causal fungus and on methods of control, and technical advisory services to municipalities on the application of control methods. The forestry branch also provides diagnostic services to municipalities and individuals to assist in the identification of trees that are affected by the disease and that should be removed promptly to limit the spread. These extensive technical and consultative services will be continued.

POST OFFICE CONSTRUCTION, ST. VALLIER, QUE.

Question No. 156—**Mr. Lambert (Bellechasse):**

1. Does the government intend to build a post office in St. Vallier (Bellechasse constituency)?

2. If so, (a) what is the estimated cost of construction (b) has the Department of Public Works called tenders or will it do so shortly (c) if authorized, when will construction start?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. Yes.

2. (a) It is not customary to give the estimated cost before tenders are called. (b) Tenders will be called this fall. (c) If valid tenders are received, construction should start early in the new year.

[*English*]

FEDERAL EMPLOYEES, LOTBINIERE CONSTITUENCY

Question No. 166—**Mr. Fortin:**

How many federal civil servants were employed in the federal constituency of Lotbinière in 1962-63-64-65-66-67-68?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): It is impossible to compile the data sought in this question because the duties of public employees are not assigned on the basis of electoral constituencies.

CANADIAN DEFENCE INSTALLATIONS

Question No. 174—**Mr. Peddle:**

1. How many Canadian defence installations are there in Canada and where are they located?

2. How many military personnel are in each and, how many civilian?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1 and 2. It is not departmental policy to make public lists of all defence establishments in Canada giving precise locations. However, the following is a list of major bases and stations, showing the number of military and civilian personnel attached to each as of June 30, 1968.

Bases and Stations	Military Personnel	Civilian Personnel
Newfoundland		
CFS St. John's	195	33
CFS Gander	170	92
CFS Goose Bay	59	10
Prince Edward Island		
CFB Summerside	1353	321
Nova Scotia		
CFB Cornwallis	611	347
CFB Greenwood	1911	381
CFB Halifax	4360	5006
CFB Shearwater	2196	425
CFS Barrington	131	64
CFS Sydney	146	92
CFS Mill Cove	47	9
CFS Shelburne	163	-
Ships Afloat East	4216	-
New Brunswick		
CFB Chatham	1275	389
CFB Gagetown	4497	719
CFB Moncton	178	416
CFS Coverdale	135	3

Questions

Bases and Stations	Military Personnel	Civilian Personnel
Quebec		
CFB Bagotville	1126	231
CFB Montreal	1537	2819
CFB St. Hubert	1689	402
CFB St. Jean	972	681
CFB Valcartier	3019	814
CFS Val d'Or	326	100
CFS La Macaza	255	82
CFS Chibougamau	135	74
CFS Senneterre	177	80
CFS Mont Apica	183	71
CFS Moisie	162	83
CFS Lac St. Denis	133	76
Ontario		
CFB Borden	3958	1596
CFB Clinton	978	272
CFB Kingston	3078	1313
CFB London	1440	1020
CFB North Bay	1299	398
CFB Petawawa	2975	716
CFB Rockcliffe	6033	5266
CFB Toronto	1831	1392
CFB Trenton	3232	809
CFB Uplands	1793	267
CFS Moosonee	129	73
CFS Foymount	152	84
CFS Falconbridge	134	75
CFS Ramore	128	68
CFS Lowther	135	62
CFS Armstrong	144	55
CFS Sioux Lookout	127	52
CFS Gloucester	248	26
CFS Leitrim	129	108
CFS Cobourg	38	375
CFS Carp	48	15
Manitoba		
CFB Gimli	870	218
CFB Portage la Prairie	724	204
CFB Rivers	753	221
CFB Shilo	908	460
CFB Winnipeg	3143	836
CFS Gypsumville	155	76
CFS Flin Flon	42	1
CFS Beausejour	118	56
Saskatchewan		
CFB Moose Jaw	1205	357
CFS Dana	161	64
CFS Yorkton	143	73
CFS Alsask	145	66
Alberta		
CFB Calgary	2409	724
CFB Cold Lake	1841	321
CFB Edmonton	2036	826
CFB Penhold	333	208
CFS Beaverlodge	127	52
British Columbia		
CFB Chilliwack	1563	800
CFB Comox	1564	250
CFB Esquimalt	3023	2895
CFS Holberg	204	69
CFS Baldy Hughes	140	64
CFS Kamloops	143	65
CFS Ladner	121	51
CFS Masset	39	5
CFS Aldergrove	76	17
Ships Afloat West	1693	-
Northwest Territories		
CFS Inuvik	167	5
CFS Alert	98	-

[Mr. Groos.]

AIR POLLUTION FROM AIRCRAFT ENGINES

Question No. 184—**Mr. Gillespie:**

1. How is the degree of air pollution from aircraft engine exhausts determined and what measurements are made?

2. What is considered a dangerous level of concentration?

3. Have measurements been taken at Malton International Airport and, if so, what are they?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Air contaminant emissions from aircraft engines are similar to those from other combustion sources, especially motor vehicles. The degree of air pollution is, therefore, measured with the same kind of instrumentation as is used in the general assessment of community air pollution problems. The important constituents of aircraft engine exhausts are particulates, carbon monoxide, nitrogen dioxide, hydrocarbons, and aldehydes.

2. Exposure of persons working near aircraft engine exhausts is limited by tolerance to concentrations of either carbon monoxide or nitrogen dioxide. Concentrations of 50 parts per million carbon monoxide and 5 parts nitrogen dioxide are not considered injurious to health in continuous exposure at work for an eight hour day, five days a week.

3. No air pollution measurements have been made at Malton airport by air pollution officers of the occupational health division, Department of National Health and Welfare, or the Ontario air pollution control service.

POST OFFICE CONSTRUCTION, ST. ODILON, QUE.

Question No. 186—**Mr. Rodrigue:**

1. Does the government intend to build a post office at St. Odilon, constituency of Beauce?

2. If so (a) what is the estimated cost of the work (b) has the Department of Public Works called tenders or will it do so in the near future (c) when will the work start, if applicable?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. Yes.

2. (a) It is not customary to give the estimated cost before tenders are called. (b) Tenders will be called this fall. (c) If valid tenders are received, construction should start early in the new year.

[*English*]

UNEMPLOYMENT INSURANCE STATISTICS, LOTBINIERE CONSTITUENCY

Question No. 190—**Mr. Fortin:**

1. How many Unemployment Insurance Commission offices are there in the federal constituency of Lotbinière?

2. How many claims for unemployment insurance benefits were filed at each of these offices, by year, since January 1, 1965, by persons residing in the federal constituency of Lotbinière?

3. What were the number of claims accepted in each of these offices, by year, since 1965?

4. How many persons residing in the federal constituency of Lotbinière registered for employment, each year, since 1965?

5. How many of the registered persons received employment, each year, since 1965?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Unemployment Insurance Commission and the Department of Manpower and Immigration as follows: 1. There are no offices of the Unemployment Insurance Commission located in the federal constituency of Lotbinière.

2. The information is not available. There was an office of the commission located at Victoriaville in the federal constituency of Lotbinière until 18 September, 1967. The territory served by the Victoriaville office included most of Arthabaska county and part of Nicolet, Wolfe and Mégantic counties and no records were maintained as to the number of claims filed at the Victoriaville office from residents of the Lotbinière county.

3. The total number of claims filed at the Victoriaville office and for which the contribution requirements were met were: 4,374 in 1965; 4,120 in 1966 and 1,485 in 1967 (until 18 September, 1967).

4. and 5. This information is not available because statistics on registrations for employment and placements are compiled for Canada manpower centre areas, not for electoral districts.

Figures on new registrations and on placements made are available for the three Canada manpower centres of Lévis, Trois-Rivières and Victoriaville which include, within their areas, the electoral district of Lotbinière. The population of the electoral district of Lotbinière is approximately twenty per cent of the total population of the three Canada manpower centre areas, based on 1966 census figures.

New registrations for employment were:

	Lévis	Trois-Rivières	Victoriaville
1965	5,606	6,863	3,561
1966	6,935	7,455	3,785
1967	5,438	8,671	4,797
To Aug. 31 1968	4,194	5,307	2,485

Placements in employment were:

	Lévis	Trois-Rivières	Victoriaville
1965	5,061	5,819	2,845
1966	3,910	4,847	2,496
1967	2,921	3,120	1,971
To Aug. 31 1968	2,397	1,483	1,071

It is important to note that these data are not comparable in meaning over the period as the manpower services being provided changed considerably. Emphasis shifted from the operation of a simple placement service to the provision of a range of manpower services which include referral to training courses (these totalled 4,986 for the three Canada manpower centre areas, from January 1, 1967 to September 30, 1968), manpower mobility grants, more extensive labour market and job vacancy information, and fuller employment counselling.

BORDEN-CAPE TORMENTINE FERRY SERVICE

Question No. 202—**Mr. Macquarrie:**

1. When is it expected that the SS *Prince Edward Island* will be withdrawn from the Borden-Cape Tormentine ferry service?

2. What use will be made of this ship thereafter?

3. When will the ferry *John Hamilton Gray* come into regular service on the run?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: 1 and 2. The SS *Prince Edward Island* will be withdrawn

from service upon the commencement of regular service by the MV *John Hamilton Gray*. Subsequently, because of its age and the substantial expenditure that would be required to continue operating the vessel, the *P.E.I.* will be retired from the service. No decision has as yet been made as to its eventual disposition.

3. Current expectations are about mid-October, 1968.

SECURITY FILES ON FRANÇOIS DORLOT

Question No. 211—**Mr. Orlikow:**

1. Was information in connection with François Dorlot contained in Immigration, Security and R.C.M.P. files made available to any persons outside of the aforementioned Departments, including members of the Press, Radio and T.V. media?

2. If so, by whom, and was this done with the knowledge and/or approval of the Departmental Minister concerned?

3. Do the Security or R.C.M.P. files show that Mr. Dorlot is or was a member of the Mouvement Souveraineté-Association?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): 1 and 3. It is not in the public interest to discuss or to disclose the contents of R.C.M.P. files or files of other departments containing security information. No information, therefore, can be given as to whether or not the name of Mr. François Dorlot is contained in them. However, while no inference is to be drawn as to whether or not such files do contain information pertaining to François Dorlot, assurance can be given that, so far as can be determined, no persons connected with immigration, security or R.C.M.P. have given any information concerning him to the press, radio or T.V. media.

2. Answered by No. 1.

CANADIAN COMMUNICATION SATELLITE

Question No. 212—**Mr. Schreyer:**

1. Has the Government of Canada made the necessary arrangements to secure the required frequencies and orbital positions for a Canadian domestic communication satellite?

2. If not, what is the nature of the difficulty?

3. Has the Government of Canada established the necessary criteria under which a domestic satellite communication system can be established and made operational?

4. If so, what are these criteria (other than engineering and technical)?

5. What form of ownership will the domestic satellite communication corporation have?

Hon. Eric W. Kierans (Postmaster General): In so far as telecommunications is concerned,

[Mr. Hellyer.]

1. Preliminary action has been taken but further steps will be necessary. These further steps will be carried out in accordance with ITU agreements when the technical characteristics of our satellites are more fully determined as a result of the planning process now in progress in my Department and in Canadian industry. The use by Canada of radio frequencies on a domestic communication satellite requires co-ordination with other countries and eventual formal clearance through the International Telecommunications Union.

2. Answered in 1 above.

3. and 4. Yes. These are described in the white paper on "A Domestic Satellite Communication System for Canada" published by the Minister of Industry, on March 28, 1968.

5. The form of ownership will be prescribed in the legislation expected to be introduced during the current session relating to the proposed corporation.

BLANKET SALES BY CROWN ASSETS

Question No. 218—**Mr. Marshall:**

When the Crown Assets Disposal Corporation sold blankets to Fortier and Associated Services Limited of Edmonton for $8,250 and to Hercules Sales Limited of Toronto for $5,113 (a) what was the number of blankets involved in each sale (b) what was the sale price per blanket in each transaction (c) what was the original cost of the blankets to the Canadian Government and, (d) why was it found necessary to dispose of them?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Defence Production and National Defence as follows: (a) No. of blankets sold to Fortier and Associated Services Limited, Edmonton, 5,000; No. of blankets sold to Hercules Sales Limited, Toronto, 2,734; (b) Sale price per blanket sold to Fortier and Associated Services Limited, Edmonton, $1.65; Sale price per blanket sold to Hercules Sales Limited, Toronto, $1.87; (c) $6.00 each; (d) The blankets were procured prior to 1949 and continuous usage had resulted in shrinkage rendering them unfit for further use.

U.S. HARMON AIR FORCE BASE, NEWFOUNDLAND

Question No. 219—**Mr. Marshall:**

1. When the United States Government deactivated Harmon Air Force Base in the Province of Newfoundland (a) to whom did ownership and control of the installation revert (b) did the United States retain any rights or interest in the property (c) did ownership of buildings,

machinery and other facilities on the base remain with the United States or was it transferred elsewhere?

2. If ownership and control of the base was given back to Canada, did the federal government subsequently transfer it to the Government of Newfoundland and, if so (a) did the transfer include such physical properties as buildings, etc (b) did the federal government make any proviso as to what use the property and facilities should be put to by the provincial government (c) did the federal government pay a lump sum or agree to make regular payments to meet part or all of the costs of maintenance of the former air base?

Hon. Léo Cadieux (Minister of National Defence): 1. (a) The crown. The legal technicalities of the provincial or federal reversionary interests in lands occupied by the U.S. forces under the leased bases agreement of 1941 has never been resolved. (b) No. (c) The ownership of buildings and appurtenant base machinery related to power, heating and water systems were abandoned by the U.S. as required by the terms of the leased bases agreement of 1941. Ownership of operational and other movable equipment remained vested in the U.S. However, a sizeable catalogue of maintenance equipment and housekeeping supplies were declared surplus by the U.S. and were purchased by the province of Newfoundland.

2. Ownership and control of the base was not given back to Canada. However, on 7 June 1966, an order in council transferred to the government of Newfoundland such interest as the government of Canada may have had in the Harmon base property; (a) Yes, to the extent of federal interest; (b) No; (c) No.

BEDSTEAD SALES BY CROWN ASSETS

Question No. 220—**Mr. Marshall:**

When the Crown Assets Disposal Corporation sold bedsteads to H. Rosenthal Company of St. Paul, Minnesota, U.S.A., for $18,260 and to the Army & Navy Department Store Limited of Vancouver for $6,478 and to H. Rosenthal Company of St. Paul, Minnesota, U.S.A., for $10,200 (a) what was the sale price per bedstead in each instance (b) what was the original cost of the bedsteads to the Canadian Government, and (c) why was it found necessary to dispose of them?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Defence Production and National Defence as follows: (a) Sale price to H. Rosenthal Company of St. Paul, Minnesota, $4.00 per unit; Sale price to Army & Navy Department Store Limited, Vancouver, $8.37 per unit; Sale price to H. Rosenthal Company of St. Paul, Minnesota, $3.40 per unit; (b) The original cost of the components of the bedsteads which were purchased prior to 1949 was (a) spring $3.75 each; (b) end piece $2.49 each for a total cost of $12.48 per double tiered bedstead. (c) As these double tiered bedsteads could not be assembled as single beds, and as single beds only are now in use in National Defence, they were declared surplus to requirements.

MATTRESS COVER SALES BY CROWN ASSETS

Question No. 221—**Mr. Marshall:**

When the Crown Assets Disposal Corporation sold mattress covers to Oscar's Surplus Jobbers Limited of Toronto for $8,396 and to Kiffe Sales Company of New York, U.S.A., for $8,140 (a) what was the selling price per cover in each case (b) what was the original cost of the mattress covers to the Canadian Government, and (c) why was it found necessary to dispose of them?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Defence Production and National Defence as follows: (a) Sale price to Oscar's Surplus Jobbers Limited, Toronto $.28½ per unit, sale price to Kiffe Sales Company, New York, U.S.A., $.31 per unit, (b) These mattress covers were purchased prior to 1949 at a cost varying from $1.86 to $2.70 each. (c) All stocks in excess of ten years' usage were declared surplus to requirements.

SOURCE OF PHARMACEUTICAL PRODUCTS

Question No. 226—**Mr. Gauthier:**

1. What is the percentage of pharmaceutical products now manufactured in Canada?

2. From what countries and in what proportions does Canada import such products?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare):

1. Under the Food and Drugs Act, a drug manufacturer is defined as an individual or company who sells a pharmaceutical product under his name or the name of a company. Using this definition, approximately 88 per cent of the drugs sold under the Food and Drugs Act and approximately 95 per cent of the drugs sold under the Proprietary or Patent Medicine Act, are manufactured in Canada. It should be pointed out that many of these pharmaceutical products are manufactured from imported bulk chemicals or

are imported in final dosage form and packaged in Canada.

2. (a) Imported Drugs sold under the Food and Drugs Act based on Drug Notification Forms:

Country	Number of Products
United States	2,215
France	238
England	146
West Germany	83
Switzerland	46
Denmark	8
Austria	7
Holland	4
Hong Kong	4
Ireland	4
Italy	1
Finland	1
Scotland	1
Sweden	1
Japan	1
South Africa	1
Total	2,761

(b) Imported Drugs sold under the Proprietary and Patent Medicine Act based on Registrations:

Country	Number of Products
United States	44
West Germany	38
England	23
Switzerland	5
Czechoslovakia	4
France	3
Austria	3
Italy	1
Australia	1
Morocco	1
Hong Kong	1
Total	124

CANADIAN MILITARY FORCES OVERSEAS

Question No. 227—**Mr. Gauthier:**

1. In what countries does Canada maintain military forces?

2. What is the number of Canadian servicemen in each of these countries?

3. What was the total cost of such operations during the years 1965, 1966 and 1967?

Hon. Léo Cadieux (Minister of National Defence): 1 and 2. As of 1 August, 1968, the number of Canadian Forces personnel serving in various countries was as follows:

Australia	5
Belgium	143
Bermuda	94
Britain	167
Canada	85,888
Cyprus	888
Czechoslovakia	3
France	11
Germany	11,199
Ghana	19
Holland	132
India	3
India/Pakistan	17
Israel	2
Italy	2
Japan	2
Korea	2
Laos	10
Malaysia	1
Norway	2
Pakistan	2
Palestine	20
Poland	3
Singapore	1
Sweden	3
Tanzania	87
Turkey	2
United Arab Republic	2
USA	673
USSR	6
Vietnam	24
Yugoslavia	3

3. The total operating and maintenance costs for these forces in the fiscal years 1965-1966 were $1,148,153,124; 1966-1967, $1,180,-774,503; and 1967-1968 $1,226,460,000 (Est.).

[*English*]

MANPOWER MOVEMENT TO AND FROM ATLANTIC PROVINCES

Question No. 249—**Mr. Coates:**

1. How many individuals in the four Atlantic Provinces have received assistance from the Department of Manpower and Immigration to secure employment outside the four Atlantic Provinces since that Department was established?

2. How many individuals in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec, have received assistance from the Department of Manpower and Immigration to secure employment in the Atlantic Provinces since that Department was established?

3. What has been the total amount of financial assistance provided to individuals who have left the four Atlantic Provinces for employment in other parts of Canada?

4. How many families in the four Atlantic Provinces have received assistance to move to other

parts of Canada from the Department of Manpower and Immigration since its establishment and what is the total amount of this assistance to date?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): 1. From its establishment on 1 October 1966 the Department of Manpower and Immigration, under the manpower mobility program, has assisted 1,271 individuals to secure employment outside the four Atlantic provinces.

2. From 1 October 1966 the Department of Manpower and Immigration, under the manpower mobility program, has assisted three individuals in British Columbia, 36 in Ontario and 71 in Quebec to secure employment in the Atlantic provinces. No individuals in Alberta, Saskatchewan and Manitoba were assisted under the program to move to the Atlantic provinces.

3. The total amount authorized under the manpower mobility program for the purpose of assisting workers who have left the Atlantic provinces was $934,531.

4. From its establishment on 1 October 1966 the Department of Manpower and Immigration has assisted 742 families in the Atlantic provinces to move to other parts of Canada. A total of $847,536 was authorized for this purpose.

LICENSED GRAIN SELLERS

Question No. 257—**Mr. Downey:**

What are the names of the companies licensed to sell grain internationally?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No specific licence is required to sell Canadian grain internationally. The Canadian wheat board has however authorized a number of firms to act as their accredited export agents. The following firms are accredited export agents of the board. Eastern Agents: Agro Company of Canada Limited; Anglo Canadian Grain Company Limited; Bunge Corporation Limited; Cargill Grain Company Limited; Cargill Manitoba Company, Limited; Continental Grain Company (Canada) Limited; Federal Grain Limited; Grain Growers Export Company Limited, The; Louis Dreyfus Corporation; Louis Dreyfus Canada Limited; Maple Leaf Mills Limited (Maple Leaf Milling Division); Maple Leaf Mills Limited (Toronto Elevator Division); Mardorf Peach & Company (Canada) Limited; McCabe Grain Company Limited; Norris Grain Company Limited; Northern Sales (1963) Limited; Ogilvie Flour Mills Company Limited; Parrish & Heimbecker Limited; K. A. Powell Canada (1966) Limited; Range Grain Company Limited; Ranks Hovis McDougall (Canada) Limited; James Richardson & Sons, Limited; Robin Hood Flour Mills Limited; Saskatchewan Wheat Pool; Saurel Grain Company Limited; Scottish Co-Operative Wholesale Society, Limited; Smith, Vincent & Company Limited.

Western Agents: Agro Company of Canada Limited; Bunge Corporation Limited; Cargill Grain Company, Limited; Cargill Manitoba Company, Limited; Continental Grain Company (Canada) Limited; Co-Operative Wholesale Society Limited; East Asiatic Company (Canada) Limited; Federal Grain Limited; Louis Dreyfus Corporation; Louis Dreyfus Canada Limited; McCabe Grain Company Limited; Northern Sales (1963) Limited; Pacific Elevators Limited; Pacific Grain Corporation Limited; Powell-Lester Grain & Shipping Limited; Ranks Hovis McDougall (Canada) Limited; Jas. Richardson & Sons, Limited; Saskatchewan Wheat Pool.

ASSISTANCE TO FRESHWATER FISHERMEN IN PRAIRIE REGION

Question No. 262—**Mr. Schreyer:**

1. Has the Fishing Vessel Assistance Program and the Fishermen's Indemnity Plan been extended to include the inland freshwater fishing industry of the prairie region and, if so, how much has been expended under each of these programs?

2. Does the Fisheries Improvement Loans Act apply to the inland freshwater fishing industry of the prairie region and, if so, what is the amount of loans guaranteed by the Government of Canada in each of the past five years?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Fisheries and Finance as follows: 1. No.

2. Fishermen of the inland freshwater fishing industry of the prairie region are eligible to apply for loans under the Fisheries Improvement Loans Act. The following table shows the total loans made under the program and those made to fishermen in the prairie provinces.

Fiscal Year	Total value of loans made (in thousands of dollars, rounded to nearest $100)	Value of loans made in prairie provinces
1967/68	1,300	2.5
1966/67	1,400	8.4
1965/66	1,100	4.0
1964/65	500	7.5
1963/64	400	Nil

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IMPROVEMENT IN POSTAL SERVICE, PARRSBORO, N.S.

Question No. 271—**Mr. Coates:**

What does the federal government intend to do to provide improved postal facilities for the patrons at Parrsboro, Nova Scotia?

Hon. Arthur Laing (Minister of Public Works): Construction of a new post office building has been rescheduled for 1970-71.

SADDLE LAKE INDIAN RESERVE, ALBERTA

Question No. 277—**Mr. Mazankowski:**

1. How much money was spent in improving physical conditions on the Saddle Lake Indian Reserve at St. Paul, Alberta during the period April 1, 1966 to March 31, 1967, and April 1, 1967 to March 31, 1968?

2. How much money was spent on health services during the periods April 1, 1966 to March 31, 1967 and April 1, 1967 to March 31, 1968 and how much was spent on (a) housing (b) water supply (c) roads, during the same periods?

3. How many children from the Reserve are now attending high school, and how many attended in 1966 and 1967?

4. How many children from the Reserve are presently attending technical school or university, and for the same periods of time as above?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and National Health and Welfare as follows: 1. April 1, 1966—March 31, 1967, $190,549; April 1, 1967—March 31, 1968, $108,971.

2. For the Saddle Lake Indian reserve at St. Paul, Alberta, health services costs for the fiscal years 1966-67 and 1967-68 were as follows: April 1, 1966—March 31, 1967, $271,400. April 1, 1967—March 31, 1968, $324,600.

	1966-67	1967-68
(a) Housing	$22,600	$62,020
(b) Water Supply	$27,841	$27,567
(c) Roads	——	$ 5,384

In addition to the above, $140,108 was spent for electrification on the Saddle Lake reserve during the fiscal year 1966-67 and $14,000 was spent during 1967-68 for the same purpose.

3. As of October 1, 1968, 103 students from the Saddle Lake reserve were attending high school. Sixty-six were attending during the academic year September 1, 1966 to June 30, 1967, and 66 attended during the academic year September 1, 1967 to June 30, 1968.

[Mr. Forest.]

4. As of October 1, 1968, 15 students from the Saddle Lake reserve are enrolled in post-school programs which include technical schools and universities. Nine were attending during the academic year September 1, 1966 to June 30, 1967, and 32 were attending during the academic year September 1, 1967 to June 30, 1968.

QUALIFICATIONS OF NATIONAL CAPITAL COMMISSION CHAIRMAN

Question No. 312—**Mr. Thompson (Red Deer):**

What are the qualifications of the Chairman of the National Capital Commission, which resulted in his appointment?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): The qualifications of the chairman of the National Capital Commission which were taken into account by the government prior to his appointment and which the government considers as being a proper and desirable blend of work with the commission and a wideranging background of experience in legal, accounting and executive activities are as follows: Acting chairman of the National Capital Commission from September 1, 1967 to January 5, 1968; Vice-chairman from February 16, 1967 until October 1967; Member, National Capital Commission on April 29, 1966; Member National Capital Commission land advisory committee from February 1965 to April 1966; Ottawa branch manager and assistant general manager of Guaranty Trust Company of Canada from 1963 to 1966, with general supervision over the financial operations which included mortgage and real estate matters. Toronto General Trusts Corporation from 1940 to 1959; Toronto General Trusts Corporation from 1941 to 1951, comptroller and executive administrator for the corporation; 1952-1959, Ottawa branch manager responsible for financial matters including real estate and mortgage departments; Graduate of Queen's University in commerce in 1930; A Fellow of the Ontario Institute of Chartered Accountants; A member of the Institute of Chartered Financial Analysts; A member of the Law Society of Upper Canada; Resident of the national capital region.

PETITION RESPECTING FLOAT PLANE BASE, ST. ANDREWS, MAN.

Question No. 324—**Mr. Schreyer:**

1. Has the Minister of Transport received a petition signed by residents of the St. Andrews and St. Clements municipalities complaining of the procedure by which permission was granted to

allow the establishment of a float plane base on the Red River at St. Andrews, Manitoba?

2. If so, how many signatures are there in support of this petition?

3. When and where was the petition received by the Department of Transport or the Minister?

4. What decision, if any, has been reached relative to this petition?

Hon. Paul Hellyer (Minister of Transport): 1. Yes. "Petition of property owners of land affected by operations of air base Northland Airlines Limited in the rural municipality of St. Andrews."

2. 265.

3. The petition was received by the Minister of Transport on June 10, 1968.

4. Northland Airlines applied to the Department of Transport for a licence to operate a water airport on lot 34 River road, St. Andrews, Manitoba. A letter was received by the department's Winnipeg regional office from the metropolitan corporation of greater Winnipeg which stated that they had no objection to the establishment of a water airport on lot 34 River road.

In general, when licensing an airport, the Department of Transport finds it satisfactory to deal only with the responsible governing body which, it is assumed, speaks for all the local residents. If the governing body has no objection and the applicant has met all the Department's other requirements, as was the case with Northland Airlines, an airport licence is issued.

"HABITAT '67"

Question No. 327—**Mr. McIntosh:**

1. What was the cost of constructing "Habitat '67" for the 1967 World's Fair in Montreal?

2. When was "Habitat '67" turned back to the federal government by the Canadian Corporation for the 1967 World's Fair?

3. How many units are now available for occupancy?

4. How many units are rented to tenants as of October 1, 1968 (a) furnished (b) unfurnished?

5. What rental fees are currently being charged for accommodation in "Habitat '67"?

6. What has been the cost to the federal government since taking over control of "Habitat '67" for (a) heat, light and water services (b) renovation and repairs (c) completion of unfinished units (d) furnishing and decorating units of all types (e) advertising in connection with soliciting occupants (f) snow removal and maintenance of grounds (g) window cleaning (h) limousine service for tenants (i) protective service (j) managerial and other administrative services?

7. What is the estimated annual surplus or deficit on the operation of "Habitat '67" this year?

8. Is there any expectation that operation of "Habitat '67" will eventually recover the capital cost of construction, improvement and maintenance?

9. Has consideration been given to turning over "Habitat '67" to the City of Montreal for use as a low-rent housing project?

10. Has consideration been given to demolition of "Habitat '67"?

Hon. Paul Hellyer (Minister of Transport): 1. $22,569,350.

2. January 1, 1968.

3. 115.

4. (a) 2; (b) 35.

5. 1-bedroom, $190; 2-bedroom, range, $275-$310; 3-bedroom, range, $380-$420; 4-bedroom, range, $395-$460; Penthouse, $600.

6. (a) $28,265; (b) $85,712; (c) nil; (d) $24,123; (e) $17,468.88; (f) $21,040; (g) nil; (h) $10,100; (i) $54,382; (j) $34,200.

7. $442,088 deficit.

8. No.

9. No.

10. No.

FREQUENCY OF RURAL MAIL DELIVERIES

Question No. 336—**Mr. McCleave:**

1. How many box holders on rural routes in Canada now receive mail deliveries less than five days a week?

2. How many of such now receive such deliveries on Saturday?

Hon. Eric W. Kierans (Postmaster General): 1. 36,240.

2. Information not available, however, service to these people would not be reduced in the event of a change to a five day per week mail delivery as schedules would be changed to provide same frequency on alternate days.

NATIONAL CAPITAL COMMISSION SECRETARY

Question No. 337—**Mr. McCleave:**

1. Who is the Secretary of the National Capital Commission?

2. What is his salary?

3. What are his qualifications?

4. What position did he hold before achieving his present position?

5. How was he appointed to the Commission?

Hon. Jean Marchand (Minister of Forestry and Rural Development): 1. A. E. Morin.

2. It has not been customary to require crown corporations to disclose detailed information related to their internal management and administration.

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3. University graduate, bilingual, with administrative and journalistic background.

4. Acting director, information services, Department of Public Works.

5. Selection board of National Capital Commission management committee.

FAMILY AND YOUTH ALLOWANCES PAYMENTS

Question No. 340—**Mr. Mazankowski:**

1. Of the total of $612,865,000 payable in family and youth allowances, as shown in the revised estimates for the fiscal year ending March 31, 1969, what portion will be paid to (a) Quebec (b) Ontario (c) Atlantic Provinces (d) Manitoba (e) Saskatchewan (f) Alberta and (g) British Columbia?

2. What is the estimate for these payments for the fiscal year 1969-1970?

Hon. John C. Munro (Minister of National Health and Welfare): 1. (a) Quebec, $164,326,000; (b) Ontario, $214,753,000; (c) Atlantic Provinces, $67,907,000; (d) Manitoba, $28,968,000; (e) Saskatchewan, $30,391,000; (f)* Alberta, $49,066,000; (g) British Columbia, $57,454,000.

* The amount for Alberta includes the estimates for the Yukon and Northwest Territories.

2. No estimate for the fiscal year 1969-70 is available at the present time.

REPAIRS TO H.M.C.S. "SASKATCHEWAN"

Question No. 345—**Mr. Anderson:**

1. Have repairs to HMCS *Saskatchewan*, damaged when run onto a rock in Active Pass on September 8, 1968, been completed?

2. If so, what was the cost of these repairs?

3. If not, what is the estimated cost of repairs?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. No.

2 and 3. Emergency repairs were carried out in H.M.C. Dockyard Esquimalt at a cost of $13,545. Further repairs will be made in 1969, at an estimated cost of $75,000.

RECALLS OF DEFECTIVE MOTOR VEHICLES

Question No. 359—**Mr. Mather:**

Is the automobile industry required to report "call backs" of defective vehicles to the government and, if so, what departments are advised and what use is made of the information?

Hon. Paul Hellyer (Minister of Transport): No, but the manufacturers have been voluntarily reporting on their call back campaigns.

[Mr. Marchand (Langelier).]

This matter is now under discussion with the industry to develop a permanent procedure for submitting their reports.

*COMPLETION OF POST OFFICE, PORT-AUX-CHOIX, NFLD.

Question No. 378—**Mr. Marshall:**

What steps are being taken to complete the Post Office at Port-Aux-Choix in Newfoundland now that the contractors have defaulted through bankruptcy?

Mr. Paul Langlois (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, tenders for the completion of the work were called and a contract has now been awarded.

REMOVAL OF HARBOUR WRECKS, SYDNEY, N.S.

Question No. 382—**Mr. Muir (Cape Breton-The Sydneys):**

1. Did the Department of Transport, in 1965, contemplate the removal of wrecks in Sydney Harbour and, if so (a) how many were included in the project (b) were tenders called for their removal and what was the departmental estimate of cost for the job (c) how many bids were received and what was the amount in each case?

2. If tenders were called and bids received, what is the reason for not proceeding with the work?

3. Were alternate plans considered as, for instance, the removal only of those appearing above low water mark?

4. Did the Department regard the removal of these wrecks strictly on the ground that they might constitute a hazard to navigation or was the problem considered in the light of unsightliness and general harbour improvement?

5. Did the Department at anytime in recent years consider removal of the remains of old wharfs and other waterfront debris?

Hon. Paul Hellyer (Minister of Transport): 1. Yes. (a) 14; (b) Yes, $30,000; (c) Four, $94,500; $177,000; $210,930; $234,000.

2. The lowest bid was more than three times the estimate and was considered excessive for the work to be performed.

3. No.

4. The removal of these wrecks was regarded strictly on the ground that they might constitute a hazard to navigation.

5. No.

HARBOUR WRECK REMOVAL, SYDNEY, N.S.

Question No. 383—**Mr. Muir (Cape Breton-The Sydneys):**

1. Did the Department of National Defence authorize the removal of defence structures at

Petrie Point by the Royal Canadian Engineers as a "training exercise"?

2. Was consideration and approval given by the Department within the past year to instituting a similar "training exercise" for the Royal Canadian Navy using R.C.N. underwater personnel to remove wrecks in Sydney Harbour and, if not, for what reasons?

3. On what basis did the Department decide (a) that the Petrie Point demolition project was a "suitable" training exercise (b) that the Sydney Harbour job was an "unsuitable" one?

4. Did the Department view the Sydney Harbour project as one where all wrecks and obstructions above and below water mark, would be demolished or did it envisage only removal of those wrecks appearing above water at low tide?

5. In estimating the cost of the proposed Sydney Harbour job, was consideration given to the fact that expenses connected with the operation of an R.C.N. underwater team would have to be met in large part wherever they were carrying on routine training and operations, whether it be at Sydney Harbour, Halifax or elsewhere?

Hon. Léo Cadieux (Minister of National Defence): 1. Yes.

2. Yes; however, it was not approved as it was understood that private diving companies had tendered bids and it was felt that the Canadian armed forces should not enter into a project which might conflict with local commercial interests. In addition, it was not considered that any valuable or progressive training could be derived from this work.

3. (a) Of several defence structures at Petrie Point only a three storey concrete tower was selected for demolition. This provided an opportunity at a minimal cost for military engineers to practice a demolition technique that would not otherwise have been possible. (b) The evaluation of the project was based on a survey carried out by divers of the maritime command. The hulks were too rotten and dilapidated for reflotation techniques and very little explosive demolition work would be involved.

4. Both were considered.

5. Yes.

TRAINING IN UNDERWATER DEMOLITION

Question No. 384—**Mr. Muir (Cape Breton-The Sydneys):**

1. Where do Royal Canadian Navy personnel receive training in underwater demolition and what is the average cost in round figures of training a single R.C.N. diver in such work?

2. Does this training consist of theoretical problems or does it include actual demolition of wrecks and do R.C.N. divers receive continuing training in underwater demolition in Canadian harbours and coastal waters or do they receive "refresher" courses?

3. How often in the past ten years have R.C.N. divers been used to demolish wrecks in Canadian waters and at what locations?

4. Does the Department consider it necessary to restrict R.C.N. underwater personnel to the Halifax area to effectively meet emergency requirements rather than employ them on routine tasks along the Eastern seaboard?

Hon. Léo Cadieux (Minister of National Defence): 1. Halifax, Nova Scotia, approximately $600.00.

2. The training involved prepares the diver to carry out the following tasks: (a) sandbar removal and channel widening; (b) demolishing concrete, brick, masonary and wooden structures; (c) ice removal; (d) rock blasting; (e) remove propellors; (f) cut wood, metal or other materials explosively; (g) excavate explosively; and consists of both theoretical and practical problems but does not include the demolition of wrecks by explosives. The diver's continuing training requirement is met through an annual operational commitment with the Department of Transport, DEW line replenishment program.

3. Twice, in 1959, the approaches to Halifax harbour and in 1965, Trois-Rivières harbour. Both incidents were to remove navigational hazards.

4. Yes, this permits the maritime commander to effect more economical control in meeting operational and emergency requirements. Within the operational diving unit there is a mobile element which is available to meet emergency demands along the eastern seaboard and elsewhere.

JURISDICTION OVER WRECK REMOVAL, SYDNEY HARBOUR

Question No. 385—**Mr. Muir (Cape Breton-The Sydneys):**

Did the Department of Justice receive a request from the Cape Breton Regional Planning Commission for an opinion as to the jurisdiction in which removal of wrecks in Sydney Harbour might fall as between governments and/or departments of government and, if so, has this opinion been rendered and what were its terms?

Hon. John N. Turner (Minister of Justice): No.

SALARY INCREASES FOR SEMI-STAFF POSTAL EMPLOYEES

Question No. 391—**Mr. Peddle:**

Has the government given consideration to salary increases for postal employees in "semi-staff offices"

Questions

in view of recent increases granted to employees in "staff offices" and, if so, when will such increase become effective?

Hon. C. M. Drury (President of the Treasury Board): Postal employees in semi staff offices are in the revenue postal operations group in the operational category. The Canadian Postmasters Association was certified by the public service staff relations board on April 18, 1968, as the bargaining agent for the employees in this group. Negotiations with the C.P.A. commenced on May 29, 1968. Agreement was reached on all matters, including pay, on October 17, 1968. Increases will be made effective retroactive to October 1, 1966.

STUDENT LOAN PLAN

Question No. 414—**Mr. Harding:**

For each fiscal year since the inception of the Student Loan Plan (a) how many students from each province received loans (b) what was the total amount for each province (c) how many applicants were refused loans (d) what was the actual cost to the federal government?

Hon. E. J. Benson (Minister of Finance): Note: Data in (a) and (b) below is given for the loan year which extends from July 1st to June 30th. Data in (d) below is for fiscal year.

(a) Number of students assisted, by province.

	Loan Year			
Province	1964/65	1965/66	1966/67	1967/68
B.C.	4,675	7,924	9,854	11,434
Alta.	4,519	6,801	8,064	10,504
Sask.	2,992	5,167	5,965	7,377
Man.	2,272	3,601	4,070	4,604
Ont.	21,920	21,831	24,628	42,185
N.B.	2,027	3,206	3,720	5,524
N.S.	2,513	4,022	4,654	5,963
P.E.I.	437	1,160	838	935
Nfld.	737	1,472	1,414	1,819
Yukon	12	23	22	15
N.W.T.	9	10	14	11
TOTAL	42,113	55,217	63,243	90,371

(b) Total amount for each province.

	Loan Year			
Province	1964/65 $	1965/66 $	1966/67 $	1967/68 $
B.C.	3,110,751	5,043,511	6,738,350	8,037,053
Alta.	2,102,819	3,305,251	4,533,434	6,423,725
Sask.	1,888,445	3,317,604	4,543,085	5,980,941
Man.	1,383,495	2,311,905	2,886,745	3,244,990
Ont.	14,372,527	15,232,943	14,526,587	22,855,434
N.B.	1,356,088	2,404,741	3,041,465	4,219,445
N.S.	1,766,873	2,953,605	3,335,942	4,404,309
P.E.I.	289,904	455,910	634,385	724,290
Nfld.	459,652	899,231	867,658	1,143,565
Yukon	8,600	19,119	20,156	12,850
N.W.T.	9,000	7,115	11,136	6,808
TOTAL	26,748,154	35,950,935	41,138,943	57,053,410

[Mr. Peddle.]

(c) How many applicants were refused.

Under this program, the provincial authorities process applications and determine which shall be awarded loans. The federal government has no statistical information in this area.

(d) Payments made by federal government under the Canada Student Loans Act.

Fiscal Year	Amount
	$
1964/65	153,235
1965/66	1,650,895
1966/67	2,929,971
1967/68	5,806,243

FEDERAL EMPLOYEES, RICHMOND CONSTITUENCY

Question No. 436—**Mr. Beaudoin:**

How many federal civil servants, by department or agency, were employed in the constituency of Richmond in each of the years from 1962 to 1967 inclusive and how many are working there in 1968?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): It is impossible to compile the data sought in this question because the duties of public employees are not assigned on the basis of electoral constituencies.

FEDERAL EXPENDITURES, RICHMOND CONSTITUENCY

Question No. 438—**Mr. Beaudoin:**

1. What has the federal government spent in the constituency of Richmond for each fiscal year from 1962 to 1968 inclusive, and what is the estimated amount for the current fiscal year?

2. For each of these fiscal years, in what fields were such funds spent, and what are the estimates, by field, for the current fiscal year?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): It is impossible to provide a general statement of expenditures by the government of Canada in entities such as constituencies and municipalities. The budgetary estimates are not prepared in relation to such entities; nor are expenditures recorded in this way. It would be possible to give information concerning expenditures when a definite work, program, or beneficiary is mentioned in the question. In some cases, of course, these concern a particular constituency or a particular municipality.

ARDA ASSISTANCE, RICHMOND CONSTITUENCY

Question No. 441—**Mr. Beaudoin:**

1. How many companies will receive government help under ARDA in the federal constituency of Richmond?

2. What companies?

3. What amount will be provided for each of them?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): None.

POPULATION STATISTICS, RICHMOND CONSTITUENCY

Question No. 442—**Mr. Beaudoin:**

1. According to the last census, how many persons are there in the constituency of Richmond?

2. How many live in rural areas, and how many in urban areas?

3. How many are less than twenty-one years of age and how many are twenty-one or over?

4. Does the Dominion Bureau of Statistics foresee major changes in the number of people living in urban areas or rural areas and, if so, what will be the trend?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: According to the 1966 Census of Canada, there were 64,150 persons living in the riding of Richmond. Of this total 33,206 were living in rural areas and 30,944 in urban areas, based on rural-urban census definitions. By age of distribution, 33,211 were under 21 years of age, and 30,939 were 21 years or over.

While precise data on which to base projections as to future rural-urban ratios are not available, possibly the trend between 1961 and 1966 provides an indication of prospects in the immediate future if the same trend continues. The total population of the riding declined by 2,800 in the 1961-66 period —urban dropped by 600 and rural by 2,200. Rural comprised 53% of the total population in 1961 and 52% in 1966.

LEGAL OPINION ON MONTREAL TAX CONTRIBUTIONS

Question No. 449—**Mr. Valade:**

During the period April 4, 1967 to July 4, 1968, did Mayor Jean Drapeau request an opinion on the legality of the "Voluntary Contribution to Montreal taxes" from the Minister of Justice or the Department of Justice and, if so, what was the substance of this opinion and when was it given?

Hon. John N. Turner (Minister of Justice): No.

Questions

[*English*]

ARDA RESEARCH PROJECT 10031, B.C.

Question No. 457—**Mr. Harding:**

1. When was the A.R.D.A. (Research) Project No. 10031, Shuswap River-Okanagan Lake Water Supply, carried out and who made the required surveys?

2. What was the total cost of the project, was this a shared-cost programme and, if so, on what basis was the total cost shared?

3. Has a proposal been made by the federal government to the Province of British Columbia that a joint pilot project and study be undertaken based on Project No. 10031 and, if so (a) has the British Columbia government agreed to the proposal (b) what will be the cost (c) when will it commence?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. The project was approved in January 1965, and the final claim submitted in April 1967. The study was carried out by the water resources division, department of lands, forests and water resources of British Columbia who may have engaged outside agencies.

2. The total cost was $38,298, shared equally between Canada and British Columbia.

3. Rural development branch has made no proposal to British Columbia on a joint pilot project and study based on project No. 10031.

ACTING MINISTERS

Question No. 483—**Mr. Knowles (Winnipeg North Centre):**

With respect to each department of the federal government, who is the acting Minister?

Right Hon. P.-E. Trudeau (Prime Minister): Following is a list of departments showing the minister, acting minister and second acting minister in each case:

Department	Minister	Acting Minister	2nd Acting Minister
Agriculture	Mr. Olson	Mr. Greene	Mr. Laing
Consumer and Corporate Affairs	Mr. Basford	Mr. McIlraith	Mr. Jamieson
Defence Production	Mr. Jamieson	Mr. Olson	Mr. Côté
Energy, Mines and Resources	Mr. Greene	Mr. Pépin	Mr. Laing
External Affairs	Mr. Sharp	Mr. Martin	Mr. Drury
Finance	Mr. Benson	Mr. Sharp	Mr. Chrétien
Fisheries	Mr. Davis	Mr. Dubé	Mr. Côté
Forestry and Rural Development	Mr. Marchand	Mr. Munro	Mr. Mackasey
Indian Affairs and Northern Development	Mr. Chrétien	Mr. Andras	Mr. Davis
Industry	Mr. Pépin	Mr. Lang	Mr. Drury
Justice and Attorney General	Mr. Turner	Mr. McIlraith	Mr. Macdonald
Labour	Mr. Mackasey	Mr. MacEachen	Mr. Basford
Manpower and Immigration	Mr. MacEachen	Mr. Marchand	Mr. Mackasey
National Defence	Mr. Cadieux	Mr. Hellyer	Mr. Drury
National Health and Welfare	Mr. Munro	Mr. Martin	Mr. Pelletier
National Revenue	Mr. Côté	Mr. Kierans	Mr. Chrétien
Postmaster General	Mr. Kierans	Mr. Pelletier	Mr. Jamieson
Privy Council	Mr. Macdonald	Mr. MacEachen	Mr. Olson
Public Works	Mr. Laing	Mr. Côté	Mr. Dubé
Secretary of State	Mr. Pelletier	Mr. Marchand	Mr. Munro
Solicitor General	Mr. McIlraith	Mr. Turner	Mr. Lang
Trade & Commerce	Mr. Pépin	Mr. Lang	Mr. Drury
Transport	Mr. Hellyer	Mr. Richardson	Mr. Turner
Treasury Board	Mr. Drury	Mr. Kierans	Mr. Laing
Veterans Affairs	Mr. Dubé	Mr. Andras	Mr. Basford

EXTERNAL AID

NIGERIA—DELAY IN USE OF HERCULES AIRCRAFT

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister if he would explain to the house why the Hercules planes do not appear to be actually engaged in flying food and medical supplies into Nigeria. According to the reports we were led to believe the government of Nigeria had, in fact, no objection and had approved of food and medical supplies being flown to Biafra.

Right Hon. P.-E. Trudeau (Prime Minister): As I understand it, Mr. Speaker, the problem is that the International Red Cross has not been able to obtain the necessary clearance from all the governments involved. We have expressed our concern to the International Red Cross in the strongest possible terms. Our planes are there; they are available, and we want them to fly supplies. We feel that the Red Cross are doing the best they can to obtain the necessary clearance.

Mr. Stanfield: May I ask a supplementary question. Is the government of Canada making any representations directly to the government of Nigeria in this regard?

Mr. Trudeau: The Leader of the Opposition will remember that the arrangement was that we would supply our aircraft to the Red Cross, and the Red Cross undertook to obtain the necessary clearances. The personnel are there. There are advance crews which have done as much advance work as they can, but they are now waiting for clearance. There are important matters involved other than merely clearing with the Nigerian authorities. Overflight and landing permission has to be obtained from the Biafran authorities and also from the new state of Equatorial Guinea. These are the things which are bogging down the Red Cross.

Mr. David Lewis (York South): May I follow up these questions, Mr. Speaker, by asking the right hon. gentleman whether, in view of the hold-up at Lagos and other places, the government would not consider making the Hercules available to the church organizations at Sao Tome, from which planes have been flying into Biafra quite regularly.

Mr. Trudeau: We can, of course, always consider this. However, I do not think it is the time now to believe that the Red Cross will fail in its attempt to achieve these clearances. We have to select a channel and assume that it will succeed. We cannot tell the Red Cross we are going to supply them with planes and then tell them we are going to take them back and supply the planes to some other body. If the Red Cross are working for clearances for our planes we have to assume they are doing the best they can.

Mr. Stanfield: Has the Prime Minister any reason for confidence that the Red Cross will succeed without the assistance of governments, such as the government of Canada, in bringing pressure upon the authorities in Nigeria to make the necessary arrangements?

Mr. Trudeau: Of course we do not have any assurance of that, Mr. Speaker, but our whole position all along on this, which I still believe is the right one, is that since Nigeria is a friendly country we do not want to take initiatives of our own in this area. I think everyone agreed—this was the kind of pressure brought to bear by the opposition and by various sections of the informed public—that we should put planes at the disposition of the Red Cross authorities, and this we have done after receiving certain assurances from the government at Lagos. Now, Mr. Speaker, we can only be optimistic that the Red Cross will succeed.

Mr. Stanfield: A further supplementary question, Mr. Speaker, arising out of the answer of the Prime Minister and the telegram that was sent to U Thant by the head of the World Council of Churches in respect to their relief program for Biafra, which suggested that only a cease fire could now prevent acute mass starvation.

Would the Prime Minister not reconsider the position taken by his government and directly bring pressure to bear on Great Britain and other countries to stop shipping arms into Nigeria? Would he also not reconsider his position and take action to bring the matter before the United Nations with a view to preventing this mass starvation?

Mr. Trudeau: Mr. Speaker, not only are we prepared to reconsider our position but we do reconsider it every day, and we keep coming to the conclusion that our position is the only realistic one.

I would ask the members of the house, and the members of the Canadian public to reflect on our position here. After all, very often the same people who blame us now blame the United States for involving itself in a civil

war in Viet Nam and helping one side, when a few years ago the United States thought it would only send a few observers there. I do not think hon. members would want this country to become involved in the same kind of civil war and face the same kind of conflict.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Is the Prime Minister suggesting that it involves participation in the war for the government of Canada to bring this matter before the United Nations, or to bring pressure upon Great Britain and other countries to cease shipping arms into Nigeria?

Mr. Trudeau: No, Mr. Speaker, I am not suggesting that. The Leader of the Opposition's question was a broader one, and was asking us to reconsider our whole policy. Our whole policy is based on this presumption, that civil wars have happened before, and that when other foreign countries intervene in civil wars to seek a solution in their own way they generally find they are drawn into the civil war in a way they do not desire.

Once again, Mr. Speaker, there is no more reason to think Canada has any justification for telling the Nigerian government how to settle its civil war than the United States might have for telling some other government how to settle theirs. I am sure the house knows the logic behind some of the positions that have been taken by, among others, distinguished members of the New Democratic party, which now seem to lead them to think that we should be shipping arms to Biafra. This is the kind of logic, Mr. Speaker, that you get into when you try to settle other people's internal affairs.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question to the right hon. Prime Minister.

According to news reports which he must have heard as we did, airplanes carrying food supplies to Biafra also had thousands of beer bottles on board. Is the Prime Minister in a position to tell us whether this beer is intended for the Biafrans, the Red Cross representatives, or simply for the Canadian staff which is taking it to Biafra?

Mr. Trudeau: Mr. Speaker, I have discussed this matter with the Minister of National Defence and as he is more qualified than I am in to deal with this kind of problem, I yield him the floor.

[Mr. Trudeau.]

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I hope everyone is not being too unfair towards the personnel of the Canadian air force.

One of the three planes which is now in Recife carried 400 half cases of beer, that is, 3,600 bottles, to the 71 members of the personnel which is to operate out of Santa Isabella, where there is no drinking water. That, Mr. Speaker, comes to an average of two bottles of beer per man per month, not counting week-ends.

It has also been said in some circles, Mr. Speaker—I insist on this because it should be corrected and I heard it myself on television—that we were guilty of criminal negligence by transporting beer instead of food. I must point out that we have never asked that Canadian planes carry food from Canada into Biafra, but merely that they be ready to carry relief supplies for the victims of disaster from Fernando Po or inside Nigeria itself. I think it is very important, at this time, not to be unfair towards the personnel which is now over there.

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. I put my question in the form of an appeal to the Prime Minister in connection with the shipment of food and medicines to the tens of thousands who stand in imminent danger of an early death. Since the government either by intention or through inertia will not act to bring this matter before the United Nations, will the Prime Minister set aside a day—say the day after tomorrow—and have a resolution brought before this house so the Canadian people can express to the government and to the world the need for action? Set aside these legal technicalities and niceties which can only result, if they are followed, in the extermination of a people.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: However great its humanitarian objectives may be, is there not a desire on the part of the government to do something? This house will give you the power to act. Will you place the matter before us?

Mr. Trudeau: Mr. Speaker, I think the question phrased by way of an appeal by the right hon. gentleman really is an indication that opposition members on his side of the house do not know how to solve this problem.

Mr. Diefenbaker: Give us a chance.

Mr. Trudeau: A few days ago they asked this house to set up a parliamentary committee to look into all aspects of this situation. The parliamentary committee is meeting. It has heard all kinds of arguments from all sides. I do not think there is any reason to suppose that we should go beyond or beside what the parliamentary committee is doing, before hearing its report. I think it is a great mistake to leave with the Canadian people the feeling that there is an easy solution to any of this, or that we should in any sense intervene in a civil war in Africa. If we were to do that we should be faced with the consequence similar to that faced by other white nations which are intervening in Viet Nam. Those white nations are being accused of telling the yellow races what to do. We should be in the same position in Africa if we went in there and told them how to settle their civil war.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The Prime Minister's answer certainly did not deserve the applause of an almost overwhelming number of Liberal members in this house.

Mr. Gibson: Mr. Speaker, the right hon. gentleman seems to be making a little speech instead of asking a question.

Mr. Diefenbaker: I like audience participation, particularly from those who do not usually take part on these occasions.

Mr. Speaker: Order, please.

Mr. Lewis: Mr. Speaker, may I direct a supplementary question to the Prime Minister. If he will permit me to say so, may I suggest that we are asking for an answer to a question and not to a straw man the Prime Minister has set up. I say that because no member of this parliament has suggested that Canada should intervene directly or indirectly to find a solution to the problem in Nigeria.

Has the Prime Minister on that basis, not on any basis he has set up or which anyone may have suggested to him, reconsidered placing the matter before the appropriate agency of the United Nations for a discussion of the possibility of a cease fire, something which both sides in Nigeria might welcome and which all members of the O.A.U. might welcome? This is the question we are placing before the Prime Minister.

Mr. Trudeau: It is hardly a straw man, Mr. Speaker, because some persons very well known to the hon. member are not asking for a cease fire but for an increase in fire—

Some hon. Members: Hear, hear.

Mr. Lewis: On a point of order, Mr. Speaker, I suggest to you that no member of this house, not even the Prime Minister, has a right to refer to evidence given before a committee of this parliament—

Some hon. Members: Oh, oh.

Mr. Lewis: Hold your horses before you bray.

An hon. Member: Cheaper and cheaper.

Mr. Speaker: Would the hon. member kindly state his point of order.

Mr. Lewis: I suggest that no member of this house, not even the Prime Minister, has a right to refer to evidence given to a parliamentary committee and to distort that evidence when replying in the house. No witness appearing before that committee, certainly not the one who is well known to me, as the Prime Minister said, suggested an increase in fire. What was suggested was that if arms are to continue to be delivered to one side the only way to produce a stalemate and an end to the war might be through the provision of arms to the other side.

Mr. David MacDonald (Egmont): In view of the Prime Minister's earlier statement about difficulties in connection with Hercules aircraft in providing relief supplies direct to Biafra, may I ask whether special efforts are now being made by the government or the Red Cross to have these aircraft deliver supplies to that area of Biafra now under Nigerian control, particularly in the south where there have been many reports of serious starvation?

Mr. Trudeau: Yes, Mr. Speaker, some efforts are being made in that direction. We were asking whether the Red Cross had been able to arrange for permission to proceed to Port Harcourt, but we understand this has not yet been granted; clearance has not been obtained there. However, we are given to understand there is some possibility that flights to Calabar in the same area will begin tomorrow.

Mr. MacDonald (Egmont): Has the government considered giving notice to the Red Cross that a deadline will be imposed, and that if the deadline is not met other action will be taken?

Mr. Trudeau: The idea of a deadline is an interesting one, though I am not sure it could operate as the hon. member suggests. If the Red Cross were to report that it was unable to carry out this operation within a specific number of days it might be reasonable to suggest that our aircraft should proceed to other areas, including Canada, where they might be more useful. If on the other hand the Red Cross is doing its best, and we have no reason to believe that any other organization could do better, there does not seem much reason why a deadline should operate in an attempt to force the Red Cross to do more than its best. We must assume they are doing all they can to solve this problem.

Mr. A. D. Hales (Wellington): Can the right hon. gentleman advise the house why these Canadian Hercules airplanes were allowed to leave Canada before clearance had been arranged?

Some hon. Members: Oh, oh.

[*Translation*]

Mr. Caouette: Mr. Speaker, I would like to ask the Minister of National Defence another question.

I wish to refer again to the beer aboard the Hercules. The minister told us earlier that there were only 3,600 bottles of beer meant for 71 people working in a spot where there is no drinking water. Would it not have been as easy to send them drinking water, which would have been better for their health than beer that might help them to become intoxicated while over there?

Mr. Cadieux (Labelle): Mr. Speaker, I am glad that question was asked, because it gives me the opportunity to clear up a point I should have mentioned earlier. The beer sent there was bought with private and not public funds, and I think that is a very important distinction.

Now, as to providing water instead of beer, we have tried to do for the best and we have also sent soft drinks.

[*English*]

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I do not wish to pursue the analogy given by the Prime Minister, but I would like to ask him whether the United States at any time brought the question of the Vietnamese war before the United Nations prior to sending in armed forces. Did it in fact call for a cease fire before the United Nations?

[Mr. MacDonald (Egmont).]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my supplementary question to the Prime Minister is as a result of what he has said this afternoon. Does he agree that the theory of peace restoring as advocated by the Minister of Transport, formerly the minister of national defence, is no longer tenable?

EXTERNAL AFFAIRS

MIDDLE EAST—CANADIAN EFFORTS TO EFFECT SETTLEMENT

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Is the government presently making an intervention in order to bring about a settlement of the basic Near East problems between Israel and the Arab states, with particular reference to the lingering Arab refugee problem and the question of disputed boundaries? I ask this question in view of the recent visit to Canada by the foreign minister of the United Arab Republic and the present visit by the foreign minister of Israel.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, it is correct that members of the government, including myself, have been meeting with the foreign ministers of these two countries. We are doing everything we can to ensure that there will be a continuation of the Jarring mission at the United Nations in the hope that a solution will be found to these problems.

APPLICATION OF 12 MILE FISHERIES LIMIT TO ST. PIERRE AND MIQUELON

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr Speaker, I wish to direct a question to the Secretary of State for External Affairs but in his absence I will direct it to the Prime Minister. In view of the announcement that a major territorial battle is shaping up between Canadian vessels and French trawlers operating out of France's territorial islands of St. Pierre and Miquelon, will the Prime Minister indicate what action his government is contemplating to resolve this jurisdictional dispute over fishery limits?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will consult his roster he will find that the Secretary of State for External Affairs is due to be here tomorrow.

INDIAN AFFAIRS

BRITISH COLUMBIA—COURT DECISION RESPECTING LEASED RESERVE LAND

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question on a domestic matter to the Minister of Justice. I posed it on Friday but was not able to get an answer. If I could rephrase my question in case the minister has not read it, it related to a decision by county court judge Kirke Smith of British Columbia that Indian reserve land surrendered for lease is in fact no longer reserve land. Because of the dangerous precedent set by this decision, what action is the government taking to cope with this situation and perhaps reverse the decision?

Hon. John N. Turner (Minister of Justice): I will look into that judgment, Mr. Speaker. I must see whether it is going to be appealed before making any definitive statement here.

HOUSE OF COMMONS

STUDY OF TELEVISING HOUSE OR COMMITTEE PROCEEDINGS

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I want to draw a question to the attention of either the Prime Minister or the Secretary of State. Could encouragement be given at this session of the house to a study by a committee of the house, perhaps by the committee on procedure, into the question of televising at least some of the proceedings of the House of Commons or of some of its committees?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I certainly think that consideration can be given to that question, but I do not think I am wrong in saying that this comes mainly within your own authority, Mr. Speaker.

[*English*]

POST OFFICE DEPARTMENT

DIFFERENCE IN RATES FOR NEWSPAPERS AND OTHER SECOND CLASS MAIL

On the orders of the day:

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I would like to direct a question to the Postmaster General. Could the minister tell the house why there will be a split rate for daily newspapers and a flat rate for all other publications sent as second class mail?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I think we are going to be discussing that later on in the day.

NATIONAL DEFENCE

INQUIRY AS TO CLOSING OF ZWEIBRUCKEN BASE

On the orders of the day:

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to direct a question to the Minister of National Defence. I think it was on October 4 that the minister said the government was reconsidering its decision to close the Canadian base at Zweibrucken in Germany. Will the minister say whether this review has been completed and, if so, what decision has been reached?

Hon. Leo Cadieux (Minister of National Defence): Mr. Speaker, I would like to check what I said on October 4. I would be very surprised if I said we were reconsidering this question. This is part of the over-all review of the national defence and external affairs policy, and no decision has been arrived at yet. No conclusions have been drawn from that study; therefore there is no change in the position we have taken about Zweibrucken.

NATO—REPORTED INCREASE IN MILITARY BUDGET

On the orders of the day:

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to pose a supplementary question. On Friday I addressed it to the Prime Minister, and perhaps the Minister of National Defence could either answer it now or take it as notice. It was with regard to reports that the budget of NATO will be increased over the next five years. Have representations been made to Canada to increase its NATO budget over the next period of years and, if so, what has been Canada's response?

Hon. Léo Cadieux (Minister of National Defence): So far as I am concerned, Mr. Speaker, I know that some representations were made to Canada concerning the NATO commitment. Naturally by implication that would mean an increased budget, but the study we are going on with is not completed yet, and as far as the eventual position that Canada can take is concerned I think we will have to wait until the NATO alliance meeting takes place in November, at which we will discuss the over-all problems with members of the alliance, and there I suppose we can establish what the position is.

Inquiries of the Ministry

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I wish to direct a related question to the Minister of National Defence. Is he aware of recent statements that there is a great difference emerging between the United States and Canadian defence departments interpretation of NORAD and its relationship to the A.B.M. system? In view of this will the minister undertake to make a statement to the house tomorrow?

Mr. Cadieux (Labelle): With respect, Mr. Speaker, I do not think this question is very clear. The situation now is that the United States government has decided to proceed with what is called the sentinel system, in which some A.B.M.'s would be installed on American soil. Our interest concerns how the sentinel system is correlated with the further development of North American air defence. We are keeping informed of the technological developments taking place, because we know that as a country Canada could eventually get involved in the North American defence system.

Mr. Schreyer: On a question of privilege, Mr. Speaker, if the minister would like clarification of my question I would be happy to oblige and rephrase it.

HARBOURS

ROBERTS BANK—FEDERAL REPRESENTATION AT CONFERENCE ON RAIL LINK

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in the absence of the Minister of Transport I would like to ask a question of the Prime Minister.

Right Hon. P.-E. Trudeau (Prime Minister): Same answer.

Mrs. MacInnis (Vancouver-Kingsway): In view of Premier Bennett's statement that he will be glad to hear from all interested parties at the hearing tomorrow to discuss the Roberts Bank missing rail link, will the federal government be represented at this meeting?

Mr. Trudeau: I can only give the same answer. The Minister of Transport is not here according to the roster today.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. In view of the fact that the Postmaster General's name is not on the roster, was he given special permission to be here for today's question period?

Mr. Trudeau: Mr. Speaker—

Mr. Speaker: Order, please. I doubt if the question is in order.

COMMUNICATIONS

REQUEST FOR POLICY STATEMENT ON CONCENTRATION OF OWNERSHIP AND CONTROL

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the Secretary of State. In the light of the C.R.T.C. decision concerning radio station CHSJ at Saint John, New Brunswick, is it the policy of the government to break up concentration of ownership and control over communications media serving specific communities in Canada?

Mr. Speaker: Order. I suggest to the hon. member that he is now asking for a general policy statement which should be made on motions rather than by way of answer to a question at this time.

Mr. Dinsdale: Mr. Speaker, perhaps I might rephrase my question to bring it into line with your ruling. If the government has plans to break up monopolies in mass communications media in Canada in specific communities, would the responsible minister make such a statement in the house outlining the guide lines that have been established, and make these available to the house and to the general public of Canada?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): The question is under consideration, Mr. Speaker. As soon as the policy has been defined concerning the instructions to be given to the C.R.T.C. in that connection, I will be happy to make a statement in the house, as requested by the member.

[*English*]

HEALTH AND WELFARE

REQUEST FOR LEGISLATION RESPECTING SNIFFING OF AEROPLANE GLUE, ETC.

On the orders of the day:

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Solicitor General. It is in connection with a question I asked him on October 15 regarding

glue sniffing, to which I believe he replied that he would take the question under consideration. Since that time another death has occurred in Ottawa as the result of a similar type of activity. Could the minister now give us further information as to what action his department is considering?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, the question concerning whether the law is to be changed to make glue sniffing an offence is not one which comes directly under my responsibility. The inference I take from the question is that presumably it should be made an offence under the Criminal Code. That would be a matter for the Minister of Justice.

Mr. Saltsman: I wonder then whether I might direct the question to the Minister of Justice and ask him whether his department is giving consideration to the question of legislation that would make glue sniffing an illegal offence.

Hon. John N. Turner (Minister of Justice): We are. I believe the hazardous substances legislation which comes under the jurisdiction of the Minister of Consumer and Corporate Affairs would have some bearing on the subject of a remedy such as that sought by the hon. member and other hon. members of the house.

NATIONAL CAPITAL

INQUIRY AS TO ESTABLISHMENT OF PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the minister designated as the minister of regional development. Will the minister answer my question of September 19 regarding whether a committee of the house will be established to deal with matters concerning the national capital?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Eventually, Mr. Speaker.

AGRICULTURE

INQUIRY AS TO ASSISTANCE TO WESTERN FARMERS

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct this question to the Prime Minister. In view of the fact that crop and harvest conditions in western Canada could be very serious, if not desperate, when will the government bring forward an aid program to deal with this serious situation?

TRANSPORT

REQUEST FOR STATEMENT ON FERRY SERVICES, SAINT JOHN, N.B.-DIGBY, N.S.

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I had intended to ask this question of the acting minister of transport but will ask it instead of the acting acting minister of transport. Further to the questions asked in this house on September 16 and 20 will the minister indicate the intentions of the government with regard to the Saint John-Digby ferry service?

Right Hon. P.-E. Trudeau (Prime Minister): I am afraid I will have to explain again how the roster system is intended to work. Even if the acting minister were here it would not be up to him to answer the question. The idea is to have questions in respect of departmental areas answered on a given day.

Mr. Bell: I thank the Prime Minister for explaining this, but will the Prime Minister also explain why the people of Saint John and Digby are expected to wait, after the promises he made in the last election on this matter, whether ministers are here or not?

COMBINES

REPORTED STATEMENT BY DIRECTOR ON SALES OF CALIFORNIA GRAPES

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Minister of Justice, and arises from a statement made last Friday by the director of investigation under the Combines Investigation Act. He is reported as having said, and I quote—

Mr. Speaker: Order, please. The hon. member cannot ask questions in this manner. He must ask the question directly.

Mr. Schreyer: In view of the fact that the director of investigation has said that if a large number of Canadian retail stores were to stop buying California grapes he would be compelled to launch an immediate investigation, I should like to ask the Minister of Justice whether this public servant in making this remark was acting with the advice or consent of the government of Canada.

Mr. Speaker: Order, please. I have indicated that the question cannot be accepted in this manner.

Inquiries of the Ministry

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is for the Minister of Justice. Is the minister considering moving the northern desk in his department from Ottawa to the Yukon?

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, my question is for the Prime Minister. In the realization that the Prime Minister is getting older I should like to ask whether the government will accede to the request of several thousand older people in Montreal that a company of elderly Canadians be established to engage in social action programs.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, would the Prime Minister tell the house whether the Minister of Fisheries speaks on Canadian policy with one voice within Canada and another voice when addressing audiences in the United States, as was the case recently when he addressed a banquet in Boston, I believe it was, on Friday?

Mr. Speaker: Order, please. The question as asked is argumentative, and is certainly not in the proper form.

CANADIAN YOUTH PARLIAMENT

REQUEST FOR RECONVENING OF AD HOC COMMITTEE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question for the right hon. Prime Minister arises out of an undertaking given to the house on October 1 to the effect that the Prime Minister would discuss with the house leader the possibility of reconvening the ad hoc committee on the proposed Canadian youth parliament. Will the Prime Minister now say whether a decision has been reached on this matter?

Right Hon. P.-E. Trudeau (Prime Minister): No decision has been reached yet.

Mr. Lorne Nystrom (Yorkton-Melville): Can the Prime Minister indicate to the house when he will reach a decision with regard to the youth parliament?

[Mr. Speaker.]

DRUGS

AVAILABILITY OF VACCINE TO COMBAT INFLUENZA

On the orders of the day:

Hon. J. W. Monteith (Perth): Mr. Speaker, I should like to direct this question to the Minister of National Health and Welfare. On September 27 the minister indicated that he would undertake to look into the question of the availability of vaccine to combat a possible influenza epidemic. Is the minister as yet in a position to report to the house?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, I have a reply which I forwarded to the hon. member for Simcoe North. Unfortunately he is not in the house today.

Mr. Monteith: Did I understand the Minister to say that he has given a reply in the house?

Mr. Munro: No. I have forwarded a reply to the hon. member for Simcoe North.

TRADE

FROZEN COD FISH—LOSS OF U.S. MARKET

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Prime Minister. On Friday last the Minister of Consumer and Corporate Affairs agreed to give a statement today in respect of the declining market conditions in the United States with relation to one of the staple products of the eastern Atlantic. Could the Prime Minister say who has been designated to make the statement today in view of the absence of the minister?

Right Hon. P.-E. Trudeau (Prime Minister): The statement will be given by the minister when he is in the house.

Mr. Lundrigan: The Fisheries Council of Canada is meeting today, and it was imperative that some statement be given by the government in relation to the marketing of this particular product. We posed questions to the minister on Friday, and he agreed that he would make a statement today. This is on record in Friday's *Hansard*. We were hoping that if the minister were not here, since he is not obliged to be here according to the roster, some person would be designated to make such a statement.

FINANCE

CONSULTATIONS RESPECTING PROPOSED SECURITIES COMMISSION

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the designated absence of the different ministers concerned I should like to ask the Minister of Justice whether he has been in consultation with his colleagues the Minister of Consumer and Corporate Affairs and the Minister of Finance concerning the establishment of a national securities commission, as advocated by many provincial authorities and many financial organizations in this country.

Mr. Speaker: I doubt very much whether the hon. member can ask if there has been a consultation between members of the cabinet. Perhaps he might like to phrase the question in another way.

Mr. Lambert (Edmonton West): Under the rules now imposed by the Prime Minister there is no other possible way. If the Prime Minister will not assume his reponsibilities we must—

Mr. Speaker: Order, please.

THE CANADIAN ECONOMY

INQUIRY AS TO DEVELOPMENT PLAN FOR ATLANTIC PROVINCES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the designated minister of regional development. I should like to ask him whether it is still the intention that the Atlantic Development Board will bring forward a plan for the economic development of the Atlantic provinces.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I think that the Atlantic Development Board will submit its report as usual.

[*English*]

BUSINESS OF THE HOUSE

REFERENCE TO COMMITTEE OF ESTIMATES OF SOLICITOR GENERAL

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have a question for the Solicitor

General. In view of the decision not to reappoint a joint committee on penitentiaries, is it the intention of the minister to have the estimates of his department referred to the appropriate committee as speedily as possible, in order that penitentiary matters can be discussed?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, it was my understanding that they already had been referred to the committee.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, if I may reply to the hon. member for Vancouver East, the estimates of the Solicitor General were referred to the standing committee on justice and legal affairs on October 16.

CONTINUATION OF HOUSE DISCUSSION ON POST OFFICE BILL

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask a question of the President of the Privy Council. To clear up an ambiguity and assuage the anxiety of the Postmaster General, could the President of the Privy Council inform the house the intentions of the government with regard to the post office bill, and tell us whether it will be proceeded with today and tomorrow or just today, as appears from *Hansard* of Friday?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, it would be the intention to continue with the post office bill until it has been completed. We are hopeful that we might complete the committee stage by tonight, but if that is not the case we will continue with it as the first order of business tomorrow and thereafter until it is completed, interrupted only by the budget speech tomorrow night.

Mr. Baldwin: A supplementary question, Mr. Speaker. Would the hon. gentleman indicate when we will be proceeding with the farm loan bills, which this party has twice agreed to facilitate in order that the benefits thereof may be available at once to the farmers?

Mr. Macdonald (Rosedale): Mr. Speaker, both bills would have been passed by this evening if hon. members opposite had been agreeable to that being done. We will proceed with these bills just as soon as we have completed the post office bill.

Inquiries of the Ministry

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the President of the Privy Council. I wonder whether, as house leader, he would consider bringing in the cash advances legislation ahead of the farm credit bill. The cash advances legislation is non-controversial and could be passed quite easily this evening; then the money would quickly be made available to the farmers.

Mr. Macdonald (Rosedale): Mr. Speaker, both bills could have been passed by this evening if hon. gentlemen opposite had agreed to the formula we discussed the other night.

Mr. Baldwin: On a point of order, Mr. Speaker, I think it should be made clear that publicly, in the house, this party agreed that the cash advances bill could be put through last Friday in one day. We agreed that all stages of the bill could be put through at that time.

Mr. Speaker: Order, please.

[*Translation*]

TELEVISION

INQUIRY AS TO LEGISLATION ON EDUCATIONAL BROADCASTING

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I wish to direct a question to the hon. Secretary of State.

Can the hon. minister tell us when he will be able to introduce in the house his bill concerning school telecasts?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, with regard to the introduction of the bill itself, I could not give a specific answer to the hon. member. With regard to an announcement on that subject, it will be made very soon in the house before the end of this week.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, with regard to this proposal which the hon. minister has just referred to, can he tell us whether the Quebec provincial authorities have been approached about this matter and whether the details have been discussed?

Mr. Pelletier: Mr. Speaker, the project was made public more than a year ago and I do not know whether this answers the hon. member's question. A public speech has been made by an hon. minister of the province of Quebec, which seems to express the position of the province on that subject. In this case it is a speech made by Mr. Masse.

Mr. Ricard: Mr. Speaker, I should like to state my question precisely. Has the government or the minister responsible been himself in communication with the Quebec authorities.

Mr. Pelletier: Mr. Speaker, when I came to this department, we had passed the stage of communication and consultations. I do not know what my predecessor had done.

[*English*]

HIGHWAYS

INQUIRY AS TO NATIONAL CONFERENCE ON CONSTRUCTION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Public Works who, according to the roster, is here today. I ask the minister whether he has any plans for a national highway building conference, in order that we can deal with the prospects of a second trans-Canada highway.

Mr. Paul Langlois (Parliamentary Secretary to Minister of Public Works): I will take this question as notice, Mr. Speaker.

POST OFFICE ACT

AMENDMENTS AFFECTING RATES, ADMINISTRATION, SAVINGS BANK

Hon. Eric W. Kierans (Postmaster General) moved the second reading of Bill No. C-116, to amend the Post Office Act.

He said: Mr. Speaker, as I listened to hon. members during the debate on the resolution preceding the bill to amend the Post Office Act, I was impressed and pleased by the interest shown by hon. members on both sides of this house in the Post Office Department. Their interest reflects an understanding, I believe, of what the Glassco royal commission on government organization called the post office's role as a unifying force throughout the country.

The legislation before the house incorporates certain administrative changes and certain changes in rates on those classes of mail the responsibility for which rests with parliament, namely, first and second class mail. The details of those changes in rates have already been announced. At this stage I propose to give the house as much information as

possible on the background to those changes, the reasons for them and the implications of them. To that end all hon. members have received copies of a financial statement which sets out in greater detail than I would be able to do in a set speech the statistical background to these changes. Copies were distributed to all members of the house on Friday morning, I believe, and others are still available.

Perhaps I can deal first with principle and then move on to a discussion of specific practice. The post office account, that is, revenues compared to expenditures, was last in balance in the fiscal year 1956-57. This fiscal year, assuming no change in rates, we forecast a deficit of $100 million. Next fiscal year, again assuming no change, the deficit is anticipated to be in the order of $130 million. Exact comparisons between the figures of today and those of the past cannot be made because, as the hon. member for Hillsborough (Mr. Macquarrie) has noted, there has been a change in the basis of cost accounting, the essential effect of which is to charge the post office for all its real expenditures such as depreciation of buildings and equipment. However, as stated in the 1968 annual report issued by my prodecessor, "The recording of these figures by the Canada Post Office gives an accurate picture of the financial situation as it is today." In other words, we are dealing with a real deficit of $100 million this year and a real deficit of about $130 million next fiscal year.

Hon. members have raised, and rightly so, the question of whether and why a particular government agency should strive toward a balance between revenues and expenditures. In explanation I would make these points: First, the post office deficit, while it has always existed, is in the process today of reaching critical as well as chronic proportions. A deficit such as the $130 million envisaged next year is simply unsupportable. Unless controlled it will escalate out of sight.

• (3:30 p.m.)

Second, this bill is aimed not at striking a balance but at reducing the deficit to manageable proportions. A balance is not to be achieved solely by raising rates. The new projected deficit for 1969-70 is $40 million, after the adoption of these changes, not $130 million. This gap of $40 million we hope to close by substantially increasing our productivity and efficiency.

Third, while the post office is aiming toward a narrowing of the gap between revenues and expenditures, it is not our intention to do so in every area of the service. As I shall explain more fully in a moment, as a matter of social policy we intend to accept at this time to run a deficit, that is, to extend a subsidy to certain areas and services, notably to Canadians living in rural areas and to the Canadian publishing industry.

Fourth, the consequences of a deficit, even when the deficit has assumed the proportions we are now facing, are more serious and more damaging to the country as a whole than the size of the deficit itself would suggest. Quite simply, the money has to come from somewhere and that somewhere is the taxpayer. If the post office runs a chronic and substantial deficit, the result is that taxpayers who make little use of the post office services are required to subsidize, either directly through taxes or indirectly through lowered government expenditures in other areas, such as health, education or whatever it may be, those Canadian individuals and business concerns who do make an extensive use of the post office. It means in effect that the financial burden is being distributed unfairly, and this I intend to stop.

Having taken the decision to reduce the post office deficit, we in the department have operated on two bedrock principles, both of which are incorporated in the legislation before you. The first is that the user shall pay for what he uses; the second is that social justice and national need require specific subsidies for specific areas or organizations.

The principle that the user shall pay for what he uses is an extension of the point I made a moment ago. If the user does not pay, then non-users will. This concept was enunciated on page after page of the Glassco commission report, and among many examples I would like to cite the commission's declaration at page 383 of volume 3. It reads as follows:

> —charges be made for all services rendered to the public and the amounts thereof be so established as to recover the full cost to the government of the service supplied.

Now there has been for many years one instance of non-users subsidizing the users of the postal services which has given me considerable concern. In studying the graph of post office sales and costs contained on page 4 of the background financial statement, hon. members will have noted that the gap, while

always present, has assumed its present critical proportions only within the last several years. The principal reason for this is that wages, salaries and fringe benefits for the 48,000 post office employees now amount to 63.9 per cent of our total annual costs; in other words, 64 per cent of our total costs are labour. The settlement of last summer's major dispute alone amounted to over $30 million. Other collective agreements signed recently for supervisors, and only last Friday for postmasters, raise the figure to over $40 million. In other words, post office employees want wages and salaries commensurate with the services they render to the users of postal services. They refuse to subsidize those users through their wages, and I agree with them.

We in the Post Office Department are now faced with a real world. Our costs, in accounting terms, are real; so is our wage bill. We intend by this legislation to cope with that real world.

In our approach to this problem we have utilized a combination of three well known techniques for bringing deficits into line. We have improved and will improve even more our efficiency; we have cut unnecessary services so the public is no longer charged for a service it neither needs nor uses; and, finally, we have increased our rates.

Believe me, as a freshman minister I would have been delighted to escape the firing line, provided that efficiency and reduced services could by themselves solve the problem. They cannot, however, and to pretend otherwise would be to mislead the public and this house.

We are taking the following steps to reduce operating costs:

We have instituted a program to close down smaller post offices where expenditures clearly are much more than revenues.

We are amalgamating rural routes wherever it is clearly more economical to do so. This has the advantage of providing the mail contractors with a relatively more remunerative contract.

We are establishing distribution centres across Canada which will make the handling of mail more economical and more efficient.

As new post office buildings are erected new mechanized mail handling equipment is installed, providing for easier and faster movement of mail within postal installations while facilitating the work of our employees.

In the planning of post office buildings care is taken to provide for better and more economical plant utilization.

[Mr. Kierans.]

Letter carriers use small trucks to deliver mail where conditions so warrant.

Experiments are being carried out to find the most economical means of transporting mail within the larger urban centres.

New zoning systems are being implemented in larger urban centres which will be integrated into a code system if and when such a code is warranted on the basis of costs and service.

There are many other areas where efforts are made to reduce costs: In particular, in better financial management, in the review and preparation of departmental estimates for the next year and for five years ahead; in the organization of a long range planning division; in the installation of a total information service so that decisions will be taken on the basis of statistics, data and facts gathered through scientific modern systems; and in research and development in the communications field.

Hon. members may justifiably question why all of these steps taken together are yet insufficient. The immutable problems lie in the nature of the post office itself. We enjoy few economies of scale, and in this we are diffierent from most other industries and businesses but this is the nature of the post office. Each individual letter has to be individually handled and individually brought to the door of the recipient. The awaited breakthrough of automation in postal services has not come. Machines have been developed and tested but still problems remain. Not until optical scanners are perfected beyond their present stage of development, which will allow the reading of handwriting, can much greater savings be made in staff, and productivity in sorting substantially improved. I intend to request the scientists in the research branch of the new department of communications to tackle this problem as a matter of urgency to help the post office meet the challenge of change.

• (3:40 p.m.)

As part of this program, and as part of the drive to make our post office the most efficient in the world, I might mention two steps under way. First, we have initiated a thorough study of the post office by a task force composed of consultants and departmental officials to study every aspect of its operations and to consider the feasibility and/or desirability of establishing it as a crown corporation. At this point I can say no more except to assure hon. member that the

progress of these studies will be rapid and they will be kept informed. Second, we intend from this point forward to consider the post office not as an institution but as a function, that is, not so much as an organization in the business of moving mail but as an organization in the business of communications and therefore as one arm of the over-all communications industry. Perhaps the most immediate effect of this change in outlook will be in the field of research and in the prevention of possible overlapping of communications services and hence waste.

Before moving on to consider a reduction of unnecessary services, I should explain to hon. members that changes in efficiency are geared also to better serving the public. Currently the rural mail contractor may seek an increase once during the life of his contract if the costs incurred by him in rendering that contract have risen. Under the new legislation he will be able to apply for an increase three times during the life of that contract. This will result inevitably in an increased cost burden on the post office, but it will benefit rural mail contractors who have in the past, on occasion, been seriously inconvenienced by current cost increases for which they lack the means or the power to compensate.

Since 1954, when the last adjustment of first class rates was made, "all up" air service has been restricted to letters weighing eight ounces or less. We intend to improve the service for first class letters over eight ounces. At present, an eight ounce letter prepaid at the regular surface rate is given air transmission, whereas the sender of a letter weighing nine ounces must prepay his letter at the air mail rate to get the same service. While this situation could be justified originally because of a problem of space availability on aircraft, this no longer applies.

In terms of reduction of unnecessary services, and hence of a lowering of the over-all cost burden to the general public, the house is aware of the principal steps we have taken. We have decided to abolish the post office savings bank for which no apparent need any longer exists. We have decided to abolish the six day delivery schedule.

However, Mr. Speaker, in respect of the latter reduction in service it has become apparent as a result of representations made directly to me, and by members here including the 35 men good and true and the hon. member for Gaspé (Mr. Cyr), that a five day delivery will cause serious hardship to Canadians living in rural areas who depend upon Saturday delivery for, in particular, their newspapers. Hence, the six day delivery schedule will be maintained in rural areas. In making this decision we have been governed by the needs of our clients, the citizens living in rural areas, not by those of the newspapers though they will naturally be coincidental beneficiaries. As important as the principle that the user should pay for what he uses is the principle that Canadians, no matter where they are living, are entitled to equal government services to the maximum extent possible. This is why we charge the same amount for a letter sent from one address to another in Ottawa as for a letter sent from Ottawa to Resolute Bay, although in the latter instance we incur a loss. This is why, on the basis of social need and justice, I have instructed my officials to proceed with the discontinuance of Saturday delivery in urban centres where demand is minimal and to continue Saturday delivery in rural areas where the demand is substantial. Plainly this will reduce the gross amount of the projected savings, but I am confident some of the net loss can be recovered by our program already mentioned to amalgamate rural routes. In addition no matter the cost, the service is justified.

Let me say that we have already made efforts, and more will be made, to increase productivity and reduce unnecessary expenditures. A wide gap remains. It is of the order, as I have stated, of $100 million this year and $130 million next year. To close this gap taking into account the need for subsidies for those in rural areas and continued subsidies to the publishing industry, we have constructed an integrated scale of increases. Each individual increase is related, I would remain hon. members, to the others.

Third class mail rates, which are at the discretion of the minister, have already been increased. As hon. members will note on page 3.2 of the financial statement, which sets out the effect of those changes in a full fiscal year, the two categories of third class mail, domestic and international and unaddressed householder, which would have been in a net deficit position of just under $30 million next year will be brought almost to balance at a deficit of $1.5 million.

In the instance of first class mail, which is covered by the legislation before you, a forecast deficit of $28.7 million will be changed to a surplus of $12.4 million. Second class mail, also covered by the bill, will shift from a forecast deficit of $54.6 million to $39.1 million. The specific changes proposed for first

class mail are: First, the local drop letter rate will be abolished. Second, the rate for letters will be raised to six cents for the first ounce and four cents for the second ounce.

The local letter rate from a cost point of view can no longer be justified in Canada. It has become an anomaly. Initially a lower rate for local letters was charged on the grounds that such letters were received, sorted and delivered at the same post office. That is what a local letter rate meant. At that time most people had to go to the post office to receive their mail and the transfer was a simple one. This situation has now been changed considerably by the development of Canada and the establishment of letter carrier delivery and rural mail delivery. The increased revenue for first class mails anticipated by this legislation is $17.8 million for the remainder of 1968-69 and $42.7 million for the full fiscal year of 1969-70.

• (3:50 p.m.)

The letter rate moves up from five to six cents. I should like to repeat that there has been no substantial legislation affecting first class mail rates since 1954. Those were the days of the five cent pay telephone call and the five cent cup of coffee. We are now in the era of the 10 cent pay telephone call and, unfortunately, of the 15 cent cup of coffee. Yet we remain in the era of the five cent stamp.

Since first class rates affect every Canadian, I can perhaps usefully give the house background information on which to base its decision. About 75 per cent of first class mail originates from commercial concerns and only 25 per cent from private citizens. So that the bulk of the burden will fall on business, which can bear it, rather than on the man in the street. The average Canadian mails just one piece of mail a week, and the total cost to the average Canadian of this increase will be 49 cents a year, or $2 for the average-sized family. We are confident, Mr. Speaker, that this increase can be borne and, for those reasons. To assess the impact of the six cent rate on Canadians we have on page 1 and 2 of the appendix to the financial statement calculated first class rates as a percentage of average hourly earnings in manufacturing industries. In 1959, a decade ago, first class mail rates as a percentage of average hourly earnings stood at 2.9 per cent. In 1968 the six cent rate stands at 2.41 per cent. At this level it is lower than in any post-war year up to 1964. It is lower even with the increase to six cents. Obviously it is at its present level higher than for the post three years, when it was five cents. It is higher as an inevitable consequence of that increase. But given the increase in Canadian wages that will result from the sound economic policies of this administration, I am confident that the percentage will once again soon be at a post-war low.

A secondary reason, Mr. Speaker, that we are confident the increase can be borne is the comparisons contained on pages 9.1 and 9.2 of the financial statement between first class rates in Canada and those in comparable countries. At the new level Canadians will mail letters to each other proportionately more cheaply by one half than citizens in Britain and West Germany, and more cheaply by one quarter than citizens of France. The only comparable country better off than ourselves is the United States, and here the difference is subfractional—2.4 per cent in Canada compared to 2.1 per cent in the United States. Everyone knows that this difference can be accounted for, given our geography and population distribution.

I now want to deal at some length with the proposed increase in second class rates. This increase has been the subject of a great many representations to me personally and to members on both sides of the house. It has also been, as we are all aware, the subject of a great many editorials.

Subsidization of Canadian publishing dates back to 1867 and confederation. This practice, undertaken to help disseminate information and ideas, is common to many countries, though I might mention that in Britain the post office, in an attempt to bring expenditures and revenues into balance, has recently abolished all preferential treatment for newspapers and periodicals.

In my judgment, and I believe in the judgment of all hon. members, there are sound reasons for subsidizing an industry which, as said in the O'Leary commission report, adds to the richness and vitality of Canadian life. To quote myself—and I ask the house's indulgence for so doing—the communication of ideas and information is the glue of confederation and the subsidy amounts to an additive to that glue. It is, nevertheless, sound practice, and, more than that, an essential democratic principle for the government to account for all its expenditures to the taxpayers who ultimately foot the bill. All subsidies to any institution, however worthy, should be clearly

identified as such, and justified on their own merits.

And, Mr. Speaker, this is what the house will be asked to do. The merit, need and purpose of the subsidy to the publishing industry might, at some other time, be the subject of debate by this house. That is a long term concern; our immediate concern is not the subsidy itself—it exists, it always has and I suppose it will continue to exist for a short time—but the amount of that subsidy.

That amount, I have to report, is reaching a staggering size. Second class rates were last altered in 1951, an even longer period than for first class rates. In that year the deficit, or subsidy, amounted to $13.5 million; by 1965-66 the sum had roughly doubled to $28.2 million. That doubling occurred over a span of 15 years. By next year, fiscal 1969-70, assuming no change in rates, we estimate a deficit or subsidy to the publishing industry of $54 million. But note this, Mr. Speaker: this time the doubling of the size of the subsidy has taken place over a span of only four years, not 15 years.

This rate of progression cannot be allowed to continue. Over the past 10 years alone the Canadian public has disbursed a total of approximately $300 million to publishers by way of a subsidy on second class mail rates, and all of this without debate or with very little debate by members of this house.

That, however, as I have just said, is not our present concern. What we propose to do in this bill is to cap the subsidy, to bring it under control for the first time in 17 years. At present our cost coverage for all types of publications, that is, revenues received as a percentage of audited costs, is 20.5 per cent. We recover approximately one-fifth of our costs in revenue. For some categories of publications—and I cite weekly newspapers as an example—we recover less than 10 per cent of our cost, 9.7 per cent to be exact. As a result of the changes incorporated in the bill, Mr. Speaker, our cost coverage for all types of publications will rise from 20.5 per cent to 53.5 per cent.

Here I would refer hon. members to page 11 of the financial statement distributed to them. They will note that we have graduated the cost coverage ratio according to different types of publications. In the case of weekly newspapers, which by their nature are the most economically vulnerable, the new cost coverage is only 13.2 per cent. These publications obviously will continue to be heavily subsidized. For magazines, that segment of the industry most vulnerable to foreign competition, the cost coverage rises to 33 per cent. Finally, and here I am dealing with broad categories, for daily newspapers which in most instances enjoy a monopoly or virtual monopoly in their own area, the cost coverage is now set at 79.8 per cent.

• (4:00 p.m.)

In a parallel attempt to spread the burden as equitably as possible hon. members will have noted that while the per pound rate on the reading content of a daily newspaper is increased from 2½ cents to 5 cents, or doubled, the per pound rate on the advertising content has been increased from 4 cents to 15 cents, or almost quadrupled. If these increases sound large, it is only because we are working up from such a low base. Newspapers with a low advertising content and who are therefore more vulnerable for financial terms will gain relative to their better off competitors. As a result, the second class rate increases, in other words, comprise an integrated package.

Here I might mention one particular problem raised by the hon. member for Surrey which concerns the imbalance on second class mail between Canada and other countries. He asked, and I quote from *Hansard* page 935, "That the government renegotiate the international treaty which has involved us in losses and bring about parity with the United States..." My answer is a simple one: Sorry, no, not just yet. This loss is comprised in large part, as hon. members correctly assumed, by our imbalance of postal trade with the United States.

The principle of non-sharing of charges and of non-payment of terminal expenses to the administrations of other countries, as compensation for services provided on arrival of foreign mail, applies to all items of letter-post in the international service.

Since the foundation of the Universal Postal Union almost 100 years ago, this concept has been viewed as basic by its 137 member countries and their territories. Obviously the introduction of terminal charges by one country would mean that that country would be expelled from that union. There would be literal chaos in the transmission of international mail.

While many attempts have been made at the universal postal congresses to introduce some system of payment to compensate countries for the expenses incurred in the delivery

of international mail, these have always been rejected. However, the last universal congress in 1964 adopted a resolution authorizing a study of the cost prices of forwarding, transmitting and distributing letter-post items in the international service. The problem is very complex because any system would require the setting up of expensive and time consuming control and accounting procedures at both the dispatching and receiving ends in Canada and the other member nations of the Universal Postal Union. There is no immediate solution in sight, but a serious study is currently under way and the results will be placed before the next congress to be held in Tokyo in late 1969. Therefore, there is no avenue open to us to solve the problem in relation to the United States or, for that matter, with any other country such as France, Great Britain and the Netherlands, with whom we also are at a disadvantage.

I should point out that in terms of total volume of second and third class mail handled in our service, the imbalance of international traffic, if we exclude that originating in the United States, represents very little. In fact, it has been estimated that this imbalance accounts for less than one-third of one per cent of our total traffic in terms of number of pieces handled. Our deficit attributable to the imbalance of traffic with the United States for second class mail is estimated at approximately $3.5 million annually. With third class mail, however, the latest survey indicated that the flow of exchange seems to be in Canada's favour. Unfortunately, we have no recent figures on this particular type of traffic, but tests made four years ago showed that the imbalance favoured Canada by a margin of 13 per cent.

To return, Mr. Speaker, to the issue before the house; on second class mail rates my position is simple and I now sum it up. The deficit has continued too long; it is now at an unmanageable level; the time therefore has come to cap it.

Such a step involves certain inescapable difficulties. A situation unchanged for 17 years permits what is a privilege to be regarded as a right. In their representations to me, members of the publishing industry have argued that the increase even if justified—and here as readers of the Ottawa *Citizen*, Toronto *Telegram*, Montreal *Star* and many other newspapers know or may have noticed, there is a division in the ranks—is still too much too suddenly. The increase is considerable, and it must be if we are to make any headway at all. The percentage increases appear large but are so only because the base rates until now have been so low. I am aware, and sympathetically so, that certain publications, simply because they have assumed a privilege was a right and was therefore immutable, have perhaps allowed themselves to become over-extended in certain areas. This is the reason why the increase is proposed to come into effect April 1, 1969, rather than on passage of this legislation, as is the case with first class mail. As for the allegation that the increase is sudden, this I cannot accept. This issue was raised in the house in 1964 and again during consideration of legislation last year. The publishing industry, I submit, has been well aware for some time that changes were coming and were long overdue.

The legislation before you will continue the subsidy on second class mail, not eliminate it. In fiscal year 1969-70 the sum, because of the increased rates, will be about $39 million. At that figure of $39 million the deficit on second class mail will comprise all but about $1 million of the total deficit of the post office on all its operations. The figure is $40 million on all our operations and $39 million on second class mail. Also, the $39 million figure will be substantially larger than sums disbursed by the government to other industries in the private sector such as shipbuilding and gold mining.

I am convinced that the amount of the increase, after a close study of all individual cases, is equitable both to the industry and to the general public. Anything more left as a deficit becomes unmanageable again and therefore becomes an inequitable burden upon the general taxpayer. The timing of the increase will, I believe, allow all publications enough time to take any action that may be needed to absorb the increased cost in the same manner as they regularly absorb unplanned increases in the costs of such items as wages and newsprint.

In the legislation before the house other amendments to sections 11 and 12 of the act have been proposed which would: (a) restrict the conditions for statutory mail rates; (b) reduce and simplify rate categories; (c) establish minimum piece charges; (d) increase rates; (e) restrict the free zone to weekly newspapers with circulation of 10,000 and to the copies of these papers that are addressed to post offices with no letter carrier delivery service; (f) abolish the preferred rates; (g) repeal existing local second class rate; (h) discontinue statutory rates for sample copies

of newspapers and periodicals and publications of newspapers and periodicals mailed by news dealers.

• (4:10 p.m.)

Other proposed changes would restrict statutory rates to those newspapers and periodicals which—(a) have not more than 70 per cent of the paper devoted to advertising; (b) have a subscription price of not less than 50 cents per annum; (c) have a paid circulation of not less than 50 per cent of the total circulation, and (d) are registered for second class rates with the Post Office Department.

Another purpose of the amendment is to exclude from the statutory rate publications published as an auxiliary to, or for the purpose of, publicizing the main purpose or calling of the publisher. Excluded would be house organs, church bulletins, trade, fraternal, professional and other association publications.

There are now ten rate groups of newspapers and periodicals based on frequency of issue and size of circulation. Since neither factor is related to the cost, rate anomalies exist which cannot be explained within the context of postal operations. For example, a large weekly periodical is currently subject to a rate of 3 cents per pound, but a monthly periodical pays only 1.75 cents per pound. Furthermore, the number of rate categories is in excess of what is required for efficient administration and accounting.

The new legislation provides for three rate groups—(a) Daily newspapers, (b) Weekly newspapers, and (c) Other newspapers and periodicals.

At the moment, rates on newspapers and periodicals are bulk or pound rates covering an entire mailing. This results in sorting, transporting and delivering some newspapers and periodicals for as little as 1/20th and 1/30th of a cent per copy. The new minimum per item rate of 2 cents per piece will result in a more equitable distribution of postal charges among the users of second class mail and among all post offices patrons.

The rate change for a daily newspaper, which includes all newspapers published more frequently than weekly, will be 5 cents a pound on the news content and 15 cents a pound on the advertising content.

The rate for a weekly newspaper will be 5 cents a pound, and if the weekly newspaper has a circulation of 10,000 or less and is published and mailed in a community of not more than 10,000 persons, 2,500 copies of each issue will be handled free of postage to non-letter carrier offices within a 40 mile radius of the place of publication. This weekly rate is recognized support of the little weekly newspapers which continue to play an important role in local news dissemination in rural parts of our country.

Some hon. Members: Hear, hear.

Mr. Kierans: The third rate, which applies to all other newspapers and periodicals, will be 5 cents per pound with a minimum charge of 2 cents per item.

I have spoken at length, Mr. Speaker, and I wish to thank hon. members for having listened to me with such care and attention. I am aware of their keen interest in the Post Office Department affecting, as it does, literally every Canadian. I am also aware that we are attempting to correct a situation which has been unchanged for 17 years and which, because of that long span, requires some relatively drastic steps.

This legislation will reduce the projected post office deficit for 1969-70 to $40 million from the $130 million it would have been without this bill. We will be back in the land of common sense and of equity, since it will mean that, with specified exceptions, users will pay for what they use and non-users will not bear a burden they did not create.

Some hon. Members: Hear, hear.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I listened with great interest to the minister's statement. It was more nearly adequate, of course, than the one he made on the resolution stage, not totally enlightening, perhaps, but helpful in that direction.

When I spoke on the resolution stage I expressed my views on Saturday closing and on the general question, which now seems to have become one of principle, of whether the Post Office Department, unique among departments of government, should pay its way. I begin today by congratulating the minister for changing his mind with regard to one aspect of the Saturday closing question. I said when we were discussing this subject on the resolution stage that by offering the people of Canada increased cost and decreased services he was giving them a double whammy. Since then he has flickered one eyelid and announced that some areas of Canada, some rural residents, will be excepted from his proposal. I am not one of those who are so unreasonable as to criticize a minister for not being willing to change his view and then, when he does

made a change, denounce him for being weak and irresolute. I commend the hon. gentleman for being sensitive to the urging of many hon. members on this side of the house as well as to his own noble committee of 35 members from the caucus of the Liberal party.

Having spent all my political career as a backbencher in the conclaves of caucus, I know how important it is that a minister be sensitive to the views of backbenchers, his parliamentary colleagues. Indeed, a good minister should be sensitive both before and after he takes important decisions—decisions for which he will expect the undying support of his parliamentary friends. But the minister will not expect me to avoid noting my disappointment that he was not more forthcoming to parliament in connection with his change of mind. Caucus is important, and so are caucus committees, but there is one body which is more important than caucus, more important then any caucus committee, and that is parliament itself. This is the place in which to make announcements. This is the place in which to indicate changes of ministerial intention.

I am glad the minister dropped a hint at the city of London. I am very fond of the city of London; it happens to be the home of outstanding political leaders in this country. But I would like him to recall that this house is the arena in which to make the kind of hints he made on that occasion; they should be made here rather than in the course of public speeches.

I presume the hon. gentleman has reflected upon the changed circumstances. I presume he knows the dangers which are before him as he makes this partial reversal of his previous point of view. I was interested in his statement that there was no demand for mail delivery on Saturday in urban areas. I presume that urban dwellers hand back their mail to the postman as he comes along. I am inclined to think that people living in the cities still like to get mail. I suppose that a communication from a loved one is as well received by a person living in a city of 25,000 as one living in a village of 150. Possibly the minister has made some calculations about this and knows what the distinction is. Incidentally, he may find considerable difficulty in a country like Canada where the shading between urban, suburban and rural is not easy to appreciate.

• (4:20 p.m.)

I am wondering who will be involved in getting the mail out to the rural areas. Most

[Mr. Macquarrie.]

rural routes emanate from a fairly large centre. If the people in the large centres are freed from work on Saturday, who is going to process and sort the mail which the lucky ruralites are going to get on Saturday? No doubt these are things which the minister has thought out very carefully, but as yet we have not been illuminated or enlightened on the subject of just what this will all mean.

A few days ago I asked the minister if he would not agree that a committee of this house was a better forum for dealing with these important postal matters than a committee of his own caucus, however eminent. It may be interesting to recall that the *Hansard* reporter did not catch that. Mr. Speaker, I never think my utterances are so vital that they need be corrected for posterity but the reporter had me down as asking if a standing committee was not a better vehicle than the committee of the whole house. I was convinced that this very important, tremendously important piece of legislation, should be referred to a committee of the house.

This was obvious from the time we first heard about the minister's far-sweeping changes and widespread alterations and I submit, Mr. Speaker, that recent events, recent communications and recent protests have made such a course of action of all the more compelling. There has been widespread criticism from the press and the public. Interested parties have sought to have their views heard. There is widespread concern and confusion as to what is involved in this very elaborate piece of legislation. There has been insufficient time for some seriously affected groups to give thorough study to the impact of the new rates.

The minister is right when he said that there have been tremendously interesting editorials on the subject. He said once that the newspapers seemed to be pretty well on his side, but I do not note that type of response from the newspapers I read. I did notice an interesting editorial in the *Journal-Pioneer*, published in Summerside, P.E.I., headed "Poorer Mail Service At Higher Rates." It reads:

> If we keep on getting doses of the just society we are going to start yearning for a bit of old fashioned injustice. Somehow life wasn't all bad in those bad old unjust days—
>
> It is true that we are becoming more and more a five day work week society with two days of leisure on the week end. Yet it is kind of silly, as we said in this space once before, to go to the expense of rushing a letter by air from Vancouver to Summerside, to take an example, and then to

have it lie in the Summerside post office undelivered from Friday evening until some time on Monday. What Mr. Kierans is proposing—and what he will undoubtedly get away with—is less service at higher rates.

The government is doing a great job of cutting expenditures and slashing services. We doubt that most people will feel that this was the mandate given it on June 25.

I am sure, Mr. Speaker, that all hon. members have been receiving complaints and anxious inquiries from their constituents. Some veteran members of this chamber have told me they are receiving more mail about this matter than about any of the controversial issues of which this house has been seized in the last decade—and we have had some really sizzling issues—because this is a fundamental matter which touches all Canadians and there are reasons for concern.

Naturally people tend to ask why, when they are presented with a heavier bill for anything, and this bill does impose heavy gouges on the public, a 20 per cent increase in five cent letter mail and a 50 per cent increase in local first class mail. It may be said that if the minister gets his way he will have made the nickel obsolete. It is a long time since much could be bought for a nickel, but we used to be able to buy a stamp.

I note the minister's constant reference to the great bulk of mail as being business mail. But as my colleague sitting in front of me said, as he heard the minister's statement, "Who in the world keeps business going"? You always get back to that group of people collectively responsible for all of us sitting in this house. The increases for newspapers are in some cases higher than 300 per cent.

Not surprisingly this combination of decreased service and increased rates is an unpopular mixture and an unpalatable brew. But apart from the heavy bite which the public understands all too well, other questions are coming to the fore. How serious is the financial situation in the post office? It is a long time since I have heard anyone sing such a triumphant song from such a dismal score as the minister has succeeded in doing. He said that the deficit will escalate out of sight if something drastic is not done. I noted his reference to high labour costs. I cannot believe that labour is so heavily responsible for these rapidly escalating costs.

The white paper to which the minister referred and which was made available only on Friday, I believe, makes dreary reading. I read it on Sunday. We continuing Presbyterians are very careful what we do on the Sabbath but we are allowed to read the Scriptures and are fond of the Old Testament. I thought that reading this white paper would not be different from reading about some of the tribulations of the Israelites, and my conscience was salved thereby. It is confusing reading.

I am not a cost accountant, or a former professor of economics as the minister is. I studied a great deal of economics and was always convinced that an ancient description of it as a dismal science was a very apt one. I found it a very dismal science. I found the white paper dismal. I found it pretty complex, pretty confusing. It is quite a demand to take a document of this kind, digest it by Monday, and then come along and say aye to the minister and have the bill shooed through.

Sir Robert Borden records that at the Paris peace conference the then president of Poland tabled a document which graphically illustrated the demographic pattern in Upper Silesia. Prime Minister Hughes, the outspoken prime minister of Australia, looked at it for a long time and then handed his copy back to Paderewski saying, "Perhaps you can play this on your piano but I'll be damned if I understand it." I do not share Prime Minister Hughes point of view but I can understand what he had in mind when he reacted in that way.

I looked at some of the statistics. As a result I wonder how ample is the explanation that is being given. I wonder how much farther advanced we are over where we were at the resolution stage. I would like to know what this expanded all-up service really means. This is dropped in as one of the little plums. Mail over eight ounces will now go all up. How many people will benefit? What does this mean? How big a bonanza is this?

I look at the deficit figures on first class mail alone. The deficit in 1968-69, without passage of these new rates, would be $16,148,000. For the fiscal year 1969-70 it would rise to $28,698,000 without the rate increases projected in this bill. These are vast and frightening figures, but how did they get that way so soon?

The ministers' predecessor said on June 2, 1967, as recorded at page 1098 of *Hansard*:

I can tell hon. members that at the five cent rate for letters we still make money. At four cents we still make some money although we are on the verge of losing.

Three months later, on September 29, 1967, less than a year before the present minister began his crusade for a black ledger, the minister's predecessor said, as recorded on page 2689 of *Hansard*:

> We are starting right now to have a deficit on first class mail. Our estimates forecast, with regard to the first class, indicates a deficit of over $5 million right now. I can tell hon. members that next year the deficit will be up to $7.7 million and costs are continuing to rise.

• (4:30 p.m.)

The estimated deficit was $7.7 million, but the figure I have just quoted for 1968-69, extracted from the elaborate white paper, is $16,148,000. This is a substantial gap. In June, first class mail was making money, But in September the red ink was flowing freely. Perhaps the adverb "freely" is not a good one to use. My hon. friend says "liberally". Now we are talking about a figure of $16 million plus. This is not exactly precision forecasting. I wonder whether the former minister was using those up to date sophisticated computers used by the Minister of Finance (Mr. Benson) or, and this is even more harrowing, was the present minister using those sophisticated predictors whose advanced calculations were going to make Einstein's work look like child's play? Of course, they were out about $400 million. But I am wondering about the computation. What about these elaborate figures in the white paper? They may be as solid as the rock of Gibraltar or as reliable as the Holy Writ, but because of the former minister's trouble in this connection and the substantial miscalculations of the Minister of Finance I submit that further elucidation and a little more sustained examples would be in order.

I should like these figures to be discussed and examined in full before a house committee. I should also like a chance for the experts to discuss them, not the experts in the post office but the particular users of the post office who will get it in the neck if this legislation goes through. Some of these figures are fascinating. I looked at the breakdown of costs and I discovered that for the sortation of United States publications it takes the sum of $2,223,888. How precise that figure is!

An hon. Member: And no cents.

Mr. Macquarrie: And no cents. There are no figures in that column in this document. I have a picture of sorters in some large post offices who do nothing but sort the New York *Times* and *Life* magazine. If any of these newspapers should be on strike, and it often happens, I suppose these persons would be laid off immediately and we would have a little saving. Or I can think of the little postmistress in the rural area who is paid so much a day for sorting copies of the *Christian Science Monitor*. This is the kind of calculation that causes one to wonder. I want to speak as moderately as I can because I think so much of the minister who is piloting this bill through the house. When I look at some of the charts my eye focuses on *Time* magazine.

Mr. Lambert (Edmonton West): Yes, that pet.

Mr. Macquarrie: I wonder whether *Time* magazine has perhaps been a little more kindly treated in this elaborate calculation than our Canadian daily newspapers. Having asked that question I ask myself why, because we started out by being invoked to think in terms of principle, equity, and so on.

An hon. Member: And a just society.

Mr. Macquarrie: Surely these are matters which in a just society we must reflect upon for more than half a day or part of an afternoon. Do I see in this white paper a recognition of what the Post Office Department does for other departments? Are these charges being entered in the accounts and estimates of other departments or are they still charged to the post office? If this is the case, it seems hardly fair to raise a hue and cry about the appalling deficit in this department if in fact others should share it. The minister recognized this in his annual report for 1968, page 9, as follows:

> The Canada Post Office has also taken credit for the services provided to other departments; these services do not compensate for the costs assumed from the other departments.

I am not sure what that statement means but I think it means something close to what I am trying to suggest. We want to plan realistically; we must have realistic figures and must have an opportunity to examine these figures fully and carefully. I am not departing one iota from my suggestion—

Mr. Deputy Speaker: Order, please. Does the minister wish to ask a question? It is entirely up to the hon. member for Hillsborough to accept or reject the question.

Mr. Kierans: The hon. member says he wants reliable figures. Is he suggesting that these figures are not reliable?

Mr. Macquarrie: Mr. Speaker, I must say that I used the expression "realistic". I have adopted the policy in this house for 11 years that no matter what I might wish to say I would always wait until the hon. gentleman speaking had finished. I would ask that the same courtesy be returned to me. The quotation from the minister's annual report was the last I have read in that particular connection. I would say that in our search for realistic figures, figures which can be translated to the reality of the day, we want a further examination of the document which the minister made available to us.

But apart from statistics there are broad areas for concern for the members of this house and the people whom we represent. This bill is far more important than a mere increase in the price of stamps. Flippant people may say the minister is suggesting that the people of Canada can lick their way into prosperity by paying more for stamps. But much more is involved than an appraisal of the stamp rate. The bill recognizes that the government has an important degree of involvement in the newspaper field.

I was impressed by the minister's remarks in respect of this very important field. This bill in a sense defines what is a Canadian newspaper. It sets an elaborate scale of rates. It becomes very much involved in the communication of ideas. The bill even invokes considerations of an international character. It singles out foreign publications and sets special rates for them. Some people would say that it sets preferential rates for some of them. It is, therefore, a tremendously important field. The newspapers in this country are very much concerned. Far be it for a member of this party to be overly solicitous about the welfare of Canadian newspapers. They have not been remarkably solicitous of our welfare in the last couple of decades. But they are important in any democracy.

The freedom of the press is not a new or esoteric concept. The minister has heard the views of many people in the newspaper field, as have most of us. One who has written to him is that always thoughtful and perceptive publisher of *Le Devoir*, Mr. Claude Ryan. I should like to quote a few portions from an open letter to the minister which appeared in this excellent newspaper, *Le Devoir*, on October 12. It begins with a great deal of well deserved praise for the minister. In fact, as I read the Toronto *Globe and Mail* this morning I was convinced that six cubits and a span was far too short a measure by which to assess the real stature of this man. I was so impressed that I almost withdrew from the discourse altogether, but not quite. Mr. Ryan writes:

• (4:40 p.m.)

> You have put in the position of a sacred fundamental the principle of having a postal service which pays for itself. On this subject (certain) M.P.'s have asked you pertinent questions. While accepting the principle of a necessary equilibrium in the accounts of the government, they asked you by what criteria you decided particularly at this moment to penalize excessively certain very limited sectors of the groups which benefit every day from the ensemble of government activity. Why, for example, did you put in the position of a sacred principle the goal of a postal service which pays for itself when you will vote soon on considerable subsidies which have the intention of meeting the deficits of other sectors of government activity which could also have been chosen as areas of activity for your rationalizing abilities? . . .
>
> Let us first speak of the raise in the postal rates for second class mail, which includes a newspaper like *Le Devoir*. If the figures which appeared in certain journals are well founded, you will double the cost of sending published material and you will change from four cents to fifteen cents per pound the cost of sending advertising material. Quick calculations have allowed us to establish that in the case of a newspaper like *Le Devoir*, these increases would bring with them a rise of approximately 275 per cent, compared with the costs which we have been used to.

Mr. Ryan argues his case with eloquence and, I think, with fairness. He makes a case to which the minister seems not overly sympathetic. He ends by saying:

> Even if you had wanted, Mr. Kierans, to give to the daily newspapers with an average circulation a mortal blow, you would have had difficulty in imagining a more ingenious suggestion than that of which you have become the godfather. I know well your attachment to liberty of the press and to the right of citizens to have information. I know very well too your aptitude for changing your views when you are mistaken. It is for this that I hope that you will be able to revise in time the unacceptable and inequitable suggestions which you have revealed in Bill C-116.

The letter of Mr. Ryan and the presentations of many like him have raised some very, important questions. It is all very well to talk about the publishers, but we know what will happen when these rates are increased. We know who will end up paying the increases. It will be the citizen, the subscriber or, in the context of this debate, the patron of the post office. We cannot cast aside casually and lightly such representations as those of Mr. Ryan.

We spend millions trying to establish a national radio and television network for

good and worthy purposes. We all recall the splendid words of then prime minister Bennett when the Canadian radio commission, as it was then called, was set up, and its worthy purposes, the development of national unity and a national consensus. But what of other media? If by these rates we are preventing a Canadian newspaper becoming a worthy organ of national opinion, are we not taking a course directly opposed to that which we are following in dealing with our radio and television services?

Many of us have regretted that in Canada there has not yet developed a great national newspaper which is truly Canadian and accepted by Canadians all across the country, a newspaper of the calibre of the London *Times*, the New York *Times*, the *Christian Science Monitor* or *La Presna* of Buenos Aires, a paper national in scope, a paper for all Canadians. I believe there are some newspapers in this country which are capable of reaching such a status. These rates will militate against just such a development. The newspaper with nothing but local appeal will be far less injuriously harmed than the one dealing with national issues, ranging over national problems, seeking to apply itself to national questions. This is the one which will suffer by the imposition of these rates.

Can we say it is all a matter of accounting when we spend millions to develop one media which brings the views of radio and television commentators into the living rooms of the nation but make it well nigh impossible for the opinions of highly qualified newspapers and their editors to get into the mail boxes of the nation? I do not want to invite a comparison of the value to Canadian society of the opinions of Claude Ryan versus Lister Sinclair, or Shaun Herron versus James Bannerman, but reflection upon the matter should underline the importance of the potentialities of this legislation.

One of my colleagues, I think semi-humorously, said the other day what a saving there would be if we shut down the C.B.C. for one day a week, and another even more critically said what a saving it would be if we shut it down for one day, period. I do not want to get into the C.B.C. phobia group because that is not where I belong, but when we talk about principle and equity we should reflect a little upon questions of this kind.

The minister and the members of the house know the vast increases in subscription rates which will be forced upon newspapers all across the country as a result of this legislation. That splendid journal of prairie Liberalism, the Winnipeg *Free Press*, points out that their subscribers will have to pay an extra $25 or $35 a year. Some people might think this is not a tragedy, but I think the Winnipeg *Free Press*, with all its faults, did develop beyond a city base, beyond a provincial base, and became a regional journal of opinion. Despite its Liberal proclivities, I do not think it will do the country good to have it inhibited in its coverage of the prairies.

Mr. Knowles (Winnipeg North Centre): We could not get along without it.

Mr. Dinsdale: It has been printing the truth more recently.

Mr. Macquarrie: Mr. Speaker, my colleagues on both the right and the left seem to regard the Winnipeg *Free Press* more highly than I used to when I knew Manitoba well. It is said that newspapers should pay their way. Perhaps increased rates are in order. I have never taken the point of view that we cannot or should not have an increase in these rates; not for a moment do I make that suggestion. I would not suggest that any increase is injurious, but I again reject the suggestion that this department or any sector of its users, in this case the newspapers, must pay their way. The expression "cap the subsidy" is an interesting one, but let us have no delusions that we are going to soak the publishers. In the end it will be the public that pays.

Some hon. Members: Hear, hear.

Mr. Macquarrie: In other areas we have abandoned the pay as you go policy. I am old enough to remember, and certainly the minister is as well, the days when we used to charge a licence fee to everybody who bought a radio set. The idea was that the people who used the radio service would pay for it. We have long since abandoned that policy. We have said that it is a public service, and I think this was a proper move. We pay the bill for radio and television, and what a bill it is!

There are many areas of uncertainty here. I wonder about the savings. I wonder about what is going to happen to the personnel. In the *Gazette* of September 28, page 1, the minister is quoted as saying:

• (4:50 p.m.)

—the decision to go onto a five day week will mean the elimination of 1,499 post office jobs, and will save the taxpayers at least $13 million a year.

You will note it is 1,499 post office jobs, not 1,500. He said:

—although almost 1,500 jobs are being done away with, few men will actually be laid off. The normal expansion of the post office will absorb about 1,100 workers, and the normal attrition of staff caused by retirements and resignations should account for most of the balance.

This impressed me. I was brought up under the old fable that you cannot have your cake and eat it too. Yet we are told in one paragraph we are going to save at least $13 million a year and 1,499 jobs will be done away with, and then that hardly anyone holding a job is really going to lose it. I hope I will not offend anyone if I ask again for realistic figures.

The following was written in the *Canadian Postal Worker* of June, July and August 1968, volume 4, No. 4, headed "5 Day Week—Who Pays?". I may say that many of these people live in urban areas and will not be affected by the announcement made a while ago by the minister. The article reads:

A continuing source of wonder and dismay to us in Vancouver is the naivete of national officers.

For instance, when the Postmaster General announced the initiation of the five day business week in the post office, effective next February, not one national officer's voice was heard in protest.

It should have been obvious that a change as far-reaching as this had to be planned a long time in advance. It could even have started before negotiations did, which means the government had no intention of announcing it before the contract was signed. Razor sharp thinking on their part.

It must also be obvious that a great many members of both unions are going to be affected. Until we know the details and methods of adjustment, and what guarantees we have against lay-offs, we are certainly not prepared to say that the members will like it.

Nor are we prepared to trust the intentions or actions of the Postmaster General who appears hell bent on reforming the post office. We can understand the government's wanting to make some profit out of the post office operation. But we also want to know at whose expense these reforms will be made, and out of whose hides the profits will be sweated.

The postal workers who will be displaced, and those who will be doing six days' work in five would no doubt like to know, too.

Some time ago I read the minister's announced intention to have his department in the black in two years' time. It is a laudable intention, and I wish him well in all his endeavours to improve the administration of his important department. But I am suspicious of what I might describe as deadline achievers. I remember the 60 days of decision and what days those were!

I would like to comment on one or two more items, Mr. Speaker, before I take my seat. The bill is not all bad. I find nothing to complain about in connection with the savings bank. I have no deposits there that will be lost. I see some improvements in reference to rural routes and I also see some dangers there. I would like to hear a little more about some special cases such as the very good case which was presented by the church press.

I wonder whether the minister is going to move a little more imaginatively in the philately section than some of his predecessors? If he is scrounging around to make the odd dollar, even that can be used more effectively. If he could issue a stamp in honour of the great Robert Burns perhaps he might improve the cost situation. I know my colleague from Nova Scotia would be with him on that.

The thing that disturbs me is the shortage of time in reference to a measure of such importance. It is said in the bill that one section is to go into effect on November 1. This presumes that this body and another body in another part of the constitutional apparatus will have reacted before that date because there is no use chasing down Mr. and Mrs. Smith after November 1 if they have spent four and five cents for their stamps; you cannot collect the extra pennies then. We do not have time to deal with this important legislation, and I think it is a presumptuous suggestion that we do so.

I wish to make a motion but before I make it I should like to indicate briefly the spirit in which it is made. We believe that this measure must go to a standing committee. It is our hope that the committee would be instructed, or that it would be formally or informally understood, that it sit for a limited time. We would like to have the second reading of the measure stay on the order paper. We have no desire to thrust in an inordinate delay at this time. It is in this spirit that I would like to move the following motion which is presented in an effort to expedite passage of this legislation and in an effort to guarantee wider information on behalf of the public we represent. I move, seconded by the hon. member for Lambton-Kent (Mr. McCutcheon):

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

"The further consideration of this bill be deferred until the standing committee on transportation and communications has considered the subject matter thereof.

Mr. Deputy Speaker: The amendment is before the house. With the indulgence of the house I will take it under consideration and report later.

Mr. Barry Mather (Surrey): Mr. Speaker, it is customary sometimes to summarize one's point of view and one's ideas at the conclusion of one's remarks. The press of the country uses an entirely different procedure; they summarize right at the beginning what was said or proposed. In my case I intend to summarize my ideas at the start of my remarks. To put the position of my party and my own on this important subject on the record I summarize our position as follows:

First, we wish the proposed post office legislation referred to a standing committee of this house for detailed study and report.

Second, we are opposed to the increase to six cents in the ordinary or consumer mail rates of Canada.

Third, we welcome the move to increase the second class rates on publications published for a profit as being generally in the right direction, but here again we wish a committee study to be made to ensure that the proposed rate increases are sufficient and are borne by those by whom they should be and do not fall upon publications which are not published for commercial profit but rather for the service of some particular educational, health or co-operative association or union.

While welcoming the announcement made today by the Postmaster General (Mr. Kierans) that rural mail delivery will be continued on a six day a week basis, we oppose the reduction in delivery service in urban areas. We think there is no reason in this year for a substandard service such as would result from reducing delivery from six to five days a week to be inflicted on the urban areas or any other area in Canada. On this point it seems strange to us that while we as a group of people meeting in the house are entitled to discuss what is proposed in the way of legislation on rates or prices, we are actually not able to do anything right now in regard to the service that those rates or prices are going to buy. Something along that line could well be studied by a committee studying the whole postal situation.

Mr. Speaker, this is a personal proposal by myself. I should like to see a study made of what is in effect a subsidy in the form of an exemption from taxation which is given to advertisers. Advertising, of course, is the very lifeblood of many publications in this country. This exemption from taxation for advertising would have an effect on what the public is called upon to pay, either in the form of a subsidy or increased postal rates.

• (5:00 p.m.)

The post office legislation before us is massive and yet very detailed in all its respects. The proposals made are of such a nature that in my view they should be referred for detailed study by a standing committee of the house, where adequate representations could be made both by the post office officials and those who are going to be affected by the principal changes in postal procedures. I believe it is true to say that the post office handles, and does it very well, something like 5 billion pieces of mail each year. It employs approximately 47,000 or 48,000 people and deals with a great many categories of postage. The whole matter, therefore, is technical.

It would make a great deal more sense if we and the people of the country had more time to delve into all the aspects of what we are being asked to do. It is all right to say that we in this house can meet as a committee to discuss what is being proposed but really, as I say, the matter before us is so technical that it is very difficult for us in an assembly of this type to come to any real decision on these detailed proposals.

In the previous parliament when we dealt with matters affecting broadcasting in the country, the whole set of recommendations was referred to the standing committee on broadcasting. That committee, of which I had the honour to be a member, met many times, heard many witnesses and finally brought in its report. We believe the same sort of thing could logically be done with regard to this other important channel of communications, the postal system.

For many years my party and its predecessor, the C.C.F., have urged the government and specifically the Postmaster General to take one of the steps he now proposes to take, namely, to bring about a realistic rate for business mail, periodicals and publications published for a profit. I am glad to see that finally, after all these years, the logic of what not only my party but many other groups in the country have long urged has gotten through. I am glad to find that among the proposals, some of which we do not approve, the Postmaster General is saying that while the commercial press of Canada will not be asked to pay their full delivery costs they will

at least be asked to begin to pay something more of the cost to which their profit-motivated efforts have put the taxpayer and the ordinary letter writer all these years.

If we look at the financial statements and details of proposed rate adjustments, distributed the other day by the Post Office Department, we see that second class mail deficits, which have all along been carried by the public of Canada, between 1950 and now totaled approximately $400 million. This sum is almost equivalent to that which I understand the Minister of Finance (Mr. Benson) will be asking us to try to make up tomorrow night in his representations with regard to taxation or borrowing.

What are the relative figures, Mr. Speaker? In respect of second class mail, mail published basically for a profit, we see that it now pays not much more than one-fifth, 22 per cent, of its way. The public is stuck with the rest or a subsidy of about 77 per cent. In my view this is a strange commentary on the alleged independence of private enterprise. What do we see when we look at the cost to us of, say, *Reader's Digest* and *Time* magazine? My reading of the figures supplied by the Post Office Department indicates that these publishers pay respectively 15.7 per cent and 21.8 per cent of the cost of carrying their publications to Canadians. The taxpayers, most of whom do not read these publications, pay the other three-quarters of the cost of getting these magazines to their readers. Even with the proposed increases in second class rates, the taxpayers will still be subsidizing the deficit caused by these private operations. I commend the Postmaster General for at least taking a step in the right general direction.

I oppose his proposal to increase by 50 per cent the rate for ordinary, first class locally mailed and delivered letters, and by 20 per cent the rate for forward or air mail. I ask him also to reconsider the idea of increasing rates while decreasing service. He may possibly do one or the other, but surely it is a curious situation when the government expects to move in two different directions at the same time. I say, in the meantime leave the first class rate as it is, where it has been carrying itself for many years. Give it another year or two and let us see, with the new second class rates and some other reforms made which I should like to see, whether we need to increase the ordinary letter rate. It is quite true, as the minister points out, that a great deal of first class mail is made up of bills from hydro, telephone and other concerns. This is very true, but it is equally true that an increase in the costs of these business concerns, which for some will be 50 per cent for locally mailed letters, will be promptly passed on by those concerns to the consumer. They will do so very quickly, perhaps even by special delivery.

If this legislation were sent to a committee for study it might be that consideration could be given to the idea of applying the 5 cent rate to all first class mail in Canada. This question is an involved one relating to the whole system of rates, and in my opinion this is another reason for us to have a look at the whole situation in depth in a committee. We certainly support the motion put forward by the official opposition for the reference of this legislation to a standing committee.

I should like to refer now to a proposal which is not really before us but which the Postmaster General has acted upon. I refer to the reduction in our mail service in so far as urban areas are concerned to five days a week. I do not know of another country in the world which is putting up with that kind of substandard service, and I do not know why Canadians should be asked to do so. We do not have five day police, fire, health or broadcast services. The newspapers do not publish just five days a week. In our view the present postal service and the ability of our people to communicate on a six day schedule are important and must be retained. Again, it seems to me to be a curious thing that while we can discuss the prices which people are going to pay to have mail delivered, there is really no legislation before us at the moment concerning what that money will buy in the way of service. Again I say that this is the type of thing that could be looked at by a committee. The very fact that this legislation allows the post office itself to make changes in the standard of delivery while compelling it to refer to the house the second class mail rate is another reason for studying the whole problem in committee.

• (5:10 p.m.)

When I spoke on this matter earlier I asked a number of questions and I would like answers to them. One question the Postmaster General answered today is, how much imbalance, in dollars, is caused by our reciprocal agreement with other countries, notably the United States? As we all know, Canada is a member of an international organization

which has an agreement concerning the carrying of mail all over the world at certain rates. In regard to second class mail coming to Canada from the United States, I think the minister indicated that this involved a cost to us of some $3.5 million a year. So to that extent that question was answered.

Another question is: What is the cost of handling bulk mail, such as money, comparing the post office rate with that of private security services? By how much do the taxpayers or the ordinary first class mail users subsidize the special delivery service, which under the proposal now made, as I understand it, to close post offices in cities an extra day of the week will have to be stepped up since regular delivery is to be reduced?

Why is there a different rate for second class mail between the Americas, and between Canada and Great Britain? What percentage of second class mail delivered in Canada originates from American publications or wholly owned American subsidiaries in Canada? What was the value of printed matter imported into Canada in the last ten years and carried by our post office without remuneration under the terms of the universal postal convention?

To those questions, Mr. Speaker, I would add another. Ten years ago Canada had the reputation of being in the first rank of those countries working in the field of postal service mechanization. We were at that time experimenting with machinery which I understand was capable of sorting thousands of letters per hour. The minister said something on this general subject but I would encourage him to give more consideration to this subject. My question is: What has happened to the modernization and our technological progress? In this ever-growing computerized world it seems that the Canadian post office, at one time in the van of such progress, has now dropped behind. What is the reason for this, and what is proposed to bring our post office back to its leading and very necessary role in that area?

In conclusion, Mr. Speaker, I reiterate my wish and the wish of the members of my party that this whole complex question affecting readers, correspondents and publishers be referred for detailed study to a standing committee of this house. I hope that this will be done. If it is not, then I want to make one last recommendation. I should like to see a review body established to hear from the representatives of the non-profit publications the case that those publications may make for exemption from, or subsidy against, the proposed second class mail rate increases.

I began by saying that I would reverse the usual procedure; instead of summarizing my remarks at the end I did so at the beginning. The main point we wish to make is that we support what we think is a very good step proposed at this time by the official opposition, that of having the whole matter referred to a standing committee.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, ever since the Postmaster General (Mr. Kierans) started leaking tidbits about his proposed reforms in the department there has certainly been a rising storm of criticism about the various details of the scheme. I hasten to point out that it is not my intention to add my voice to this storm. My chief concern at the moment is with the minister's basic concept and with what I believe is his confused thinking in regard to economy in the public service.

Everybody wants the government to cut unnecessary spending, Mr. Speaker. Everybody would welcome greater responsibility on the part of this government when it comes to the disposal of tax dollars. But I would point out that at the same time everybody expects the government to supply to the public those services which are both the excuse for a central bureaucracy and its duty to render to the citizenry. Trying to do away with an essential public service is a peculiar way indeed to proceed.

I have never heard it preached anywhere that public services, such as postal services, were supposed to be a device to raise revenue. If so, Mr. Speaker, what about our publicly owned railway, our publicly owned air line and, above all, our publicly owned Canadian broadcasting service? Why indeed should one public service be expected to make money and these others to run at a loss?

I think it is sensible, for anybody administering a public service such as the post office to try to do the job as economically as possible. I think it would be a reasonable aim to try to break even on the operation. But I cannot conceive that a public service such as the post office should be run like a profit-seeking, private business.

It is perhaps conceivable, that the present Postmaster General should regard his new responsibilities in the light of a private enterprise where profit is God and shareholders must be paid off. After all, he did spend some

considerable time as head of the Montreal Stock Exchange, an institution that might easily be equated with the temple of profit. I am delighted, however, to see that obviously the Postmaster General has taken note of some of the message and that he is now operating within the demands of a just society; nothing could be more unjust than to put an essential public service beyond the reach of ordinary people. Furthermore, I believe that the concept that government should make a profit from a public service is not only misguided but flies in the face of our theory of government, a theory that supposes that the chief purpose of government is to guard the interests of the people and to supply their needs.

Having said this, Mr. Speaker, I also believe that the Postmaster General deserves some credit. While he may be misguided in his efforts he has tried to break the spendthrift pattern set by many of his colleagues. He at least professes to want to save money; the rest of them make no such pretence. I am thinking now of the expenditures that have gone into providing the Oriental splendour of the new offices of the Minister of Energy, Mines and Resources (Mr. Greene), the so-called "Greene rooms". In case any other ministers try to take comfort from mention of only one of their number, let me hasten to assure them, that it is not too difficult to collect instances of general extravagance and disregard for public moneys by members of this government.

I sincerely hope, that the house will see fit to adopt the suggestion of my colleague, the hon. member for Hillsborough (Mr. Macquarrie). I think that justice demands that before such arbitrary and sweeping changes are made in a vitally necessary public service every interested citizen should be heard.

• (5:20 p.m.)

It is quite true that the loudest and most vehement protest against some of the minister's proposals has come really from a group deserving the least sympathy. I am referring to the publishers of our Canadian daily newspapers, a group for whom it is difficult to have much sympathy. We were told by the minister, and we must take his word for it, that for years they have enjoyed a generous subsidy from Canadian taxpayers. If the minister's statement can be accepted at its face value, then the subsidy amounts to some $37 million per year. Personally I question the figure and the accuracy of the minister's statement.

I do not know whether the Postmaster General really understands the way small country post offices operate. I should like to know how a computer can determine the cost of handling a newspaper at some of our small country post offices. May I cite an example I am familiar with personally. Around five o'clock in the morning newspapers that go out on ordinary rural mail routes from the small post office are deposited on the front steps of the post office by a truck that comes from the London *Free Press*. These trucks deliver their newspapers to the front steps of our rural post offices. The papers are neatly bundled and addressed. They are already in some sort of order. So many are for rural route 2, so many for rural route 3, and so on.

Around eight o'clock the postmaster appears on the front steps, takes a deep breath of air, yawns probably, picks up the bundle of newspapers and takes them into the sorting room where they are placed on the rural carriers' desks. The carriers then pick up those newspapers. They have 10 papers for this route, 25 for another, and so on. The newspapers are in the hands of paid post office workers for a matter of minutes only. The rural carriers place the newspapers in their automobiles and deposit them at the rural mail boxes.

It must be remembered that these carriers are contractors and they are going to make their rounds anyway. I therefore submit that the cost of delivering 18,000 copies of the London *Free Press* in southwestern Ontario adds very little to the department's deficit. I cite this as an example to show that in my opinion the entire white paper is questionable. Yes, I would say that it is even suspect.

In the circumstances under which daily newspapers in Canada are published today perhaps our chief concern should be saved for others more in need of consideration, and here I speak of mail subscribers. I became alarmed when I heard the hon. member for Hillsborough mention the fantastic increases in subscription rates to be charged by the Winnipeg *Free Press*. I believe it was he who mentioned that newspaper. I believe others mentioned increases that would be applicable to newspapers such as the *Citizen* and the *Journal*.

Writing in *Le Devoir*, Mr. Ryan, the editor, said:

> Quick calculations have allowed us to establish that in the case of a newspaper like *Le Devoir*

these increases would bring with them a rise of approximately 275 per cent, compared with the costs which we have been used to.

I know that the postal rate increases are severe, but are they that severe?

Recently I saw a financial report relating to the Southam news services. The report shows that the publishers increased their revenue during the first nine months of this year by approximately 15 per cent. I think we ought to be more concerned about publications other than daily papers which may need assistance, and there are many like that. I am thinking particularly of publications such as the Canadian Church Press and the daily and weekly newspapers that are entirely or almost entirely dependent on mail subscriptions for their circulation and, likewise, for their advertising revenue. The revenue of such publications cannot equal, on any proportionate basis, that of the huge dailies.

There are others, too, who must be mentioned at this time, and here I am thinking of the members of the Canadian direct mail association. I know that many in this house and in this country regard direct advertising circulars that are delivered through the mail as a nuisance which ought to be curtailed. Those who think that way are not interested in the case for direct mail advertising. That is not the point here. Regardless of whether we are sympathetic toward the grievances of this body, we must bear in mind that its members take part in legitimate Canadian enterprises and they are entitled to the same consideration that is extended to other individual Canadians or groups of citizens. In this body are Canadians who have a vested interest in the postal service of their country. In all fairness and decency we ought to give them an opportunity to be heard.

Nothing in the constitution or in the Canada Elections Act transforms the Postmaster General or any other cabinet minister into a god. He is responsible for his actions to the people who entrusted him with the task of providing a postal service with their money, and he ought to have enough sense of responsibility to listen to submissions before imposing radical new changes on the post office. I see no argument against hearing the case for the defence unless someone in high places is afraid to. A consideration of the changes encompassed in this bill along the lines suggested by my colleague for Hillsborough ought to be the minimum amount of justice that the cabinet and the Postmaster General should extend to us. After all, the Postmaster General is a public servant. Anything he does he does by permission of and in the interests of the public who entrusted him with his job.

The minister's actions might be more understandable if he were running a private company. Then he could make such arbitrary changes as his judgment told him to be in the interest of the company and its shareholders. In this instance the minister is playing God. He is saying in fact; I know what is good for you; shut up and take it. That is a most highhanded and democratic attitude for a government not noted for being sensitive to the rights of individual Canadians to take.

• (5:30 p.m.)

Compare this attitude with the approach of the United Kingdom when the British post office department was recently overhauled. The legislation there envisages a national users' council representing all those who use the mails in Britain. This council will make representations about services, it will consider complaints by users of the services and it will be consulted with regard to fees and rates. It is, therefore, more than a body having only nominal functions; it will be truly consultative and effective in its operations. The minister will appoint the chairman and members of the council and is responsible for policy direction. This is an entirely different approach from what we see here in Canada where in effect the government says: Here it is; take it and like it.

The minister is actually following a course which in my opinion could well lead to silencing those voices which this country most needs to hear. They are voices with which all Canadians do not agree. They are voices of dissent, voices which express varying points of view. They are voices which represent minority views, voices speaking for the many segments of our society which must eventually be reconciled if we are to remain a strong, united nation. They are voices which symbolize what democracy is all about.

These voices are heard in many publications which happen to be among those most closely affected by the proposed changes in postal services and rates. Some of these publications face distinction as a result of these proposals. Their spokesmen must be allowed to make representations fairly and openly before any step is taken which will still these publications forever. I think of the case I mentioned earlier, the case of the French language newspaper *Le Devoir* and the clear, if sometimes jarring, voice of its editor, Claude

Ryan. Does the government intend to silence such a voice as this by ministerial regulation while at the same time heavily subsidizing the Canadian Broadcasting Corporation to provide a platform for other voices such as that of Tiny Tim?

Whatever may be said by the minister about economies and savings in the operations of his department, these proposals smell of discrimination. The minister has boasted that his reforms will save $13 million. But at what cost? One cost will be 1,499 jobs in the Post Office Department; at a time when unemployment is heavy and increasing, 1,500 jobs are to be thrown away just to balance the books.

The minister made some comments about changing the system of tenders in connection with rural contractors, bringing them into the just society. But the new measure still uses the tendering system which generally means recommendation by the local patronage chairmen. How many members of this house have seen the one-sided contract which allows the Postmaster General arbitrarily to cut off remuneration as was done by the current occupant of that portfolio? How many have seen the penalties for failure to get through impossible roads, and so on? Every postmaster general since I have been here—and there have been several during that time—has talked about a new deal for the rural contractor. But I submit it is all talk; the legislation has certainly not changed that much.

Normally a contract runs for four years. I understand from the minister's announcement today that a contract can be renegotiated three times. This is a tremendous change in favour of the rural mail carriers. But why, in view of all the information on costs which the department must have on hand, can we not do away with the tendering system and pay the rural contractors their going rate? Why should it be necessary for rural carriers to come on bended knees to the great white father and ask for relief? If the department really wanted to help it would establish rates and judge couriers on the basis of their dependability and integrity rather than on how little they are willing to tender for.

I do not wish to labour the point, Mr. Speaker. I could talk at length about the shortcommings in this bill and the changes it proposes to bring about. To sum up, I would say that the measure before us ought to go to a committee for the most exhaustive examination before any action is taken on it. It is a hasty, ill-judged and misjudged piece of legislation, one which reflects the attempt of a new broom to make a dramatic sweep rather than a sincere attempt to run the essential postal services of Canada effectively and efficiently. I hope the minister will have the good judgment to suspend these radical and arbitrary changes until such time as those Canadians most closely affected have had an opportunity to be heard.

Mr. Speaker: Perhaps hon. members would wish at this time to address themselves to the procedural aspects of the amendment proposed by the hon. member for Hillsborough.

Mr. Baldwin: Mr. Speaker, on the basis of the principle that all things are deemed regular and in order until the contrary is shown, I suggest that if the government feels that the motion is not in order we might hear from one of the hon. gentlemen opposite.

Mr. Macdonald (Rosedale): Yes. It seems to me it is established—and I would refer to May, seventeenth edition, page 526, and to the current edition of Beauchesne, citation 386 and thereafter—that the procedures to be followed on second reading for amending the motion or expressing disagreement with it are relatively stereotyped.

The courses open to hon. gentlemen opposite are, first of all, to vote against the motion for second reading without proposing an amendment. Alternatively they could take a course of action which the editor of Erskine May refers to as being the most courteous proceeding open to them, that is, they could move that the bill be not now read a second time but that it be read six months hence. This has come to be accepted as equivalent to stopping further parliamentary action. A third course is one we have seen followed frequently in this house in recent years; it was used as recently as Friday last. It is the motion that the bill be not now read a second time but that the subject matter thereof be referred to a committee. It would have been open to the hon. member for Hillsborough to have moved an amendment of that sort, if that had been his intention, in line with established procedure. However, the hon. member has not expressed himself in that way. He has asked that further consideration of the bill be deferred until the standing committee on transport and communications has considered the subject matter thereof. Therefore his amendment has really failed to

deal with the principal question before the house at the moment, whether or not the bill shall be read a second time.

• (5:40 p.m.)

I suggest that if the hon. member had wished to achieve the result of having a committee study the subject matter included in the bill he should have moved his amendment in the well established form that has been provided in the rules. He has not chosen to do so. He has moved it in a form which fails to deal with the question before us, whether there shall be second reading or not. For that reason, and since he has failed to adopt one of the recognized procedures of the house, I suggest that the amendment should not be accepted in this form. I submit it is not in order and should be rejected for that particular reason.

Mr. Baldwin: Mr. Speaker, when the President of the Privy Council used the word "stereotyped" it confirmed my suspicion that, despite all the whining and whimpering we have heard about our objections to the question period, this is really a government which is very reactionary in respect of its approach to the rules.

I would like to draw Your Honour's attention to page 396 of the fourth edition of Beauchesne. There are provided there a number of precedents to use which I have been following for some time, as have other hon. members, secure in the thought that these had been disclosed as suitable vehicles by which amendments could be moved. I point to form No. 93 which is as follows:

> The question being proposed "That Bill No. ..... intituled an Act ..... be now read a second time";
>
> Mr. ..... moves in amendment thereto ..... that all the words after "that" in the said motion be struck out and the following substituted therefor:
>
> "The further consideration of this bill be deferred until the principle thereof has, by means of a referendum, been submitted to and approved of by the electors of Canada."

Despite all the defects which my hon. friend from Hillsborough has discerned in this bill we are not suggesting that it should be submitted to the electors of Canada, but for the reasons we have given we think it should be submitted to a committee of this house. All we are doing is following a precedent which appears in Beauchesne and which apparently has been followed in the past. I use that as the first approach to argue with you, sir, that the amendment should be acceptable.

[Mr. Macdonald (Rosedale).]

Second, as the President of the Privy Council has said, a practice has been followed from time to time of referring the subject matters of bills to a committee, but in so doing they lose their place in the order of business. I hope that our committee on procedure will be able to amend that so as to permit them to retain their place. However, we must accept the rules as they are. It is the practice that the subject matter of a bill may be referred to a standing committee, after the use of the usual words "that it be not now read a second time," but I suggest there is no difference between that and what the hon. member for Hillsborough has suggested.

The words "that it be not now read a second time" are surely the equivalent of the words "that consideration be deferred," and the words "that consideration be deferred" have been sanctified by their appearance in Beauchesne. In addition the amendment contains a principle declaratory of some adverse view to the one contained in the motion proposed by the Postmaster General. I am reinforced in my view of that by an examination of Beauchesne, citation 386:

> On the second reading of a bill, the house may decide to refer the subject matter thereof to a commission although the bill could not be referred to a committee of the house before its second reading. (The subject matter of a bill and the bill itself are two different things.) On the 17th April, 1934, the following amendment was moved to the second reading of a bill to amend the Railway Act in respect of rates on grain: "That the bill be not now read a second time but that the subject matter thereof be referred to the Board of Railway Commissioners for Canada." This amendment was as much a declaration of policy as if it stated that the question of adjusting the railway rates on grain should be investigated by the railway board.

This is precisely what the hon. member for Hillsborough is now saying, that it is a declaration of policy that the various details and issues involved in this bill should be investigated by the standing committee, precisely as was indicated by the decision, if my memory serves me right, of Mr. Speaker Black in 1934.

I am reinforced in this view by citation No. 382 in Beauchesne's fourth edition:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction—

This is precisely what the hon. member for Hillsborough is doing, and merely because he has not used words which the President of the Privy Council said are stereotyped his amendment should not be ruled out of order. Mr. Speaker, if we are going to be stereotyped in our approach to the type of motions we move in this house I think it will be a sorry day that we do so decide or, with due respect, that Your Honour so decides. As long as we are establishing, through any combination of words, a principle which is declaratory of an idea adverse to the principle contained in the motion, then the amendment should be accepted.

In conclusion, Mr. Speaker, I would have thought that the swinging party over there, looking forward to the just society, would be most happy to see this matter considered in detail if it has all the virtues that the minister says it has.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should make it clear at the outset of these brief remarks that I have on my desk several copies of a proposed amendment which, believe it or not, is drafted in the stereotyped form referred to by the President of the Privy Council. As a matter of fact I had even shown it to the hon. member for Hillsborough in case he wanted to take it, and I indicated that if he did not propose an amendment I would pass it to the hon. member for Surrey.

In the light of all this it is obvious that if the amendment of the hon. member for Hillsborough is ruled out of order then the first member of this party who gets the floor will be moving that Bill No. C-116 be not now read a second time but that the subject matter thereof be referred to the standing committee on transport and communications. Therefore, Mr. Speaker, I suppose I should be quite partisan and express the hope that you will rule this amendment out of order so that we will have a chance to move ours. However, Mr. Speaker, I do not take that course.

I think Your Honour should realize that these two proposed amendments say precisely the same thing. They say it in different words. The forms are a little different but they say precisely the same thing, and would produce precisely the same result. Let me begin with the stereotyped form, the one we have ready. It says two things, first that Bill C-116 be not now read a second time and, second, that the subject matter of the bill be referred to a committee.

What does the amendment of my hon. friend from Hillsborough say? It says two things. In the first place it moves to strike out "all the words after "that", and the words in the motion after the word "that" are that the bill be read a second time. So that part of this amendment is saying precisely the same thing as mine is saying, that the bill be not now read a second time.

• (5:50 p.m.)

The second thing that the hon. member's amendment says is that the subject matter of the bill be referred for consideration to the standing committee on transport and communications. I think our form is perhaps a little better, because it is stereotyped, because it gets by the house and by the Speaker. But in the plain, practical language of this modern, swinging parliament surely there is no difference at all between what is proposed in the amendment of the hon. member for Hillsborough and what is proposed in the wording that I have here on my desk. If there is a difference, I suppose it is because my Conservative friend does not like to hit quite so hard. Its wording is a little softer. My hon. friend does not like to say that the bill be not read a second time. Instead he says, "send the matter elsewhere". It seems to have the effect of taking the present order off the order paper, just as mine does. My friend the hon. member for Hillsborough comes from the maritimes, instead of Manitoba, although he lived for a number of years in Manitoba. He is being a little softer on the minister, that is all.

Mr. Bell: He is soft because he was in Manitoba.

Mr. Knowles (Winnipeg North Centre): There are people who disagree with that. At any rate, that is my point. The house is going to face this issue one way or another. There really is no point in wasting time on this. If this amendment is ruled out of order, I will hand this to the next New Democratic member who takes the floor, or move it myself at the earliest opportunity.

Mr. Speaker: I am now in a position to give a decision on the basis of the comments made by hon. members. I, of course, have had an opportunity to study the amendment and look at precedents. I had a few minutes before the question was raised in the house at 5.30 to study the precedents and look into the matter as closely as possible in the circumstances.

The proposed amendment of the hon. member for Hillsborough reads as follows:

> That all the words after "that" in the said motion be struck out and the following substituted therefor:
>
> The further consideration of this bill be deferred until the standing committee on transportation and communications has considered the subject matter thereof.

The question before the house on second reading is the principle of the bill. This, of course, is well known and recognized by all members. An amendment at this point must oppose the principle by way of a reasoned amendment or otherwise. It seems to me that the hon. member for Hillsborough is proposing an amendment which does not oppose the principle of the bill nor does it support it. It merely asks to set the bill aside while the subject matter is considered.

I am in full agreement with the hon. member for Winnipeg North Centre that effectively the amendment proposed by the hon. member for Hillsborough would produce the same result as an amendment in the usual form. On the other hand the Chair must give a decision on the basis of the amendment as proposed for the consideration of the Chair. The hon. member for Winnipeg North Centre, along with the hon. member for Peace River, claims that this is a reasoned amendment which effectively opposes the principle of the bill. I suggest to hon. members that this is not the effect of the proposed amendment. It merely seeks to postpone a decision until such time as certain conditions have been fulfilled.

I am also appreciative of the difficulty arising out of the fact that there is a form, No. 93, which is quoted at page 396 of Beauchesne's fourth edition. I have studied this form and it has caused me some concern. Hon. members will realize, however, that it is not exactly in the same terms as the amendment now before us. For one thing it does not propose the same type of remedy. I suggest there is, on this basis, a substantial difference between the form set out by Beauchesne at page 396 and the form of the amendment advanced by the hon. member for Hillsborough.

The form of amendment No. 93 actually opposes the principle of the bill. If hon. members will study this paragraph closely they will see that if this amendment as proposed in form No. 93 were carried the bill would effectively be taken out of the consideration of the house and to all intents and purposes it would be in my view in opposition to the principle of the bill. On the contrary, the amendment proposed by the hon. member for Hillsborough merely attaches a condition that is not an amendment in opposition to the principle of the bill and is not a reasoned amendment.

Again I realize we are cutting things a bit fine, if I may use this expression, because in practice the result of the amendment proposed by the hon. member for Hillsborough would be exactly the same as if this amendment were proposed in the usual words which are contained in the stereotyped form of amendment on second reading to the effect that the subject matter of a bill be referred to a committee. I am just wondering whether in the circumstances hon. members would allow the hon. member for Hillsborough to change his amendment to read according to the usual form. If he does not wish to do this, I would be rather suspicious that there is a substantial difference between the amendment he proposed and the one the hon. member for Winnipeg North Centre wants to advance.

In the circumstances, with much regret, I do not think it possible to accept the hon. member's amendment.

Mr. Baldwin: Mr. Speaker, since it is six o'clock I wonder whether the hon. member for Hillsborough could have until eight o'clock to decide whether he wishes to be stereotyped or would prefer to be swinging.

Mr. Macdonald (Rosedale): Mr. Speaker, I would have risen at this point in any event. Hon. members in all corners of the house have expressed considerable interest in the function to be given by Your Honour at six o'clock this evening. In order to assist the hon. member for Hillsborough in his reflections I wonder whether an order of this house could be made that the house not sit between six and seven o'clock this evening in private members' hour but that the opposition not, of course, lose the hour involved.

Mr. Baldwin: And the priority.

Mr. Speaker: If this is agreed, it is so ordered. The house would then allow the hon. member for Hillsborough the opportunity to speak to a point of order at eight o'clock.

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Consumer Affairs—report respecting grocery prices on prairies; the hon. member for Winnipeg North Centre (Mr. Knowles)—Public Service—superannuated federal employees—request for increased pensions.

It being six o'clock, pursuant to the order of the house I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

POST OFFICE ACT

AMENDMENTS AFFECTING RATES, ADMINISTRATION, SAVINGS BANK

The house resumed consideration of the motion of Mr. Kierans for the second reading of Bill No. C-116, to amend the Post Office Act.

Mr. Deputy Speaker: Order. The hon. member for Hillsborough (Mr. Macquarrie).

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, reflecting over the adjournment period I have come to the conclusion, having listened carefully to the hon. member for Peace River (Mr. Baldwin), the hon. member for Winnipeg North Centre (Mr. Knowles) and to the suggestion of His Honour that while it might be possible for me to abandon the phraseology of my amendment, in doing so I should not abandon the principle nor my purpose. I would beg Your Honour's leave and that of the house to substitute for the discussed amendment an amendment in the following terms:

That Bill C-116 be not now read a second time but that the subject matter thereof be referred to the standing committee on transport and communications.

I so move, Mr. Speaker, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe the hon. member for Dauphin (Mr. Ritchie) wishes to speak.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on the post office bill, along with other hon. members I am greatly concerned about the changes in rates in the bill and also in the reduction of services that it proposes. I come from a riding that is largely rural in nature; therefore the reduction in services is of prime importance and the rate structure is also of great interest, particularly for farm magazines, periodicals and local papers.

In discussing the various forms of communication it would be unfair to attempt to separate post office communication from other forms of communication such as the telephone, telegraph, radio, television, etc. To some extent the post office has competed with other forms of communication, and I think this is more evident with the telephone especially. A great deal of business is still transacted by letter and much communication is still carried forward in this way, but alternatively much of this communication can be carried out by telephone, such as the placing of business orders, and so on. The written word has the advantage of being exact and subject to copy in a permanent record. Although the cost of a business letter is not inconsiderable, it is an acceptable means of business communication and as such is very valuable.

If the five day week promotes the use of alternative means of communication, particularly in the business world, the post office may lose business that it may never recover. I feel that the five day week will cause some reduction in the efficiency of our industrial and economic machine. In this day, when Canadians are facing ever increasing government expenditures, when we as a nation are embarking upon ever expanding social programs for the benefit of our people and we are being exhorted to increase the productivity of our industrial and agricultural apparatus, it seems to me that we should look with extreme care to not diminishing the means by which the nation carries on its business.

In view of the fact that the post office has a virtual monopoly in the distribution of mail,

and because it is very necessary for this means of communication to be adequate to serve the public, the post office has a duty to see that with its monopoly position in its eagerness to arrive at a balanced budget it does not cause considerable dislocation to the economic health and efficiency of the business of the community it serves, especially the productive portion of our economy. In these days of inflation and the increased wages that are necessary, I am sure that rates must be increased to bring the postal deficit more closely in line; but the curtailment of services is also of great importance, and as I have stated previously, before major changes are made there should be a considerable study of this problem.

For many people in rural areas Saturday is the biggest day of the week and on this day much business is transacted. Indeed, should there be only a five day week in rural communities it would seem that Saturday closing should fit in with the general business of the community and should not be subject to an arbitrary ruling by Ottawa in respect of the number of business days in a week.

With this in mind, I believe that this whole problem should be referred to committee, wherein various interested people and business interests could put forward their representations. Possible rate increases over a period of years could be considered. This would be of special value to small newspapers because they would be able to absorb increased rates and their subscribers would become accustomed to them.

The doubling of the subscription rate of $20 for a subscription to a daily newspaper carried in the mail is very high, especially in the year in which the increased rate is imposed. Whether people living in rural communities should have this very large increase suddenly thrust upon them is a question to which considerable attention should be given. For many magazines, particularly rural magazines, it will amount to an increase of 350 per cent. Should this rate increase come about suddenly, it is possible that many businesses will not function any longer. There is an irreducible minimum below which the post office cannot function. Few business ventures thrive by increasing their charges and decreasing their service at the same time. It might well be that the post office will be pricing itself out of business in certain areas.

Indeed, we may well look at some of the mechanics of the post office. I have here an editorial from a small newspaper in Swan River, the Swan River *Star and Times*. The editorial appeared in the issue of July 8, 1968 and states:

> We find that a letter mailed in Mafeking, addressed to Birch River (15 miles) passes through its destination, on to Swan River (50 miles) untouched, then on to Dauphin, 110 miles south, to be sorted and returned to Swan River where it is picked up by a second carrier for delivery in Birch River the next day.
>
> This can be said for a letter from Kenville addressed to Swan River (11 miles), which is carried west to Durban, then to Benito, then back to Swan River and on to Dauphin, to be returned for delivery in Swan River the next day. What sort of nonsense is this?
>
> Mail from this area cannot cross the border of Saskatchewan to points en route to Yorkton, Arran, Pelly, Whitebeech and elsewhere. These villages and towns make up part of the vast shopping area centered by Swan River. The mail for these points must again travel from Swan River to Dauphin to be routed to Yorkton for sorting and distribution, travelling some 400 miles to reach its destination, at times less than 25 miles away from the mailing point in Swan River. It is not hard to realize the inconvenience to people in the matter of mailing drugs and other important items of necessity to everyday life.
>
> If present methods of handling local intercommunity mail cannot be improved, we appeal to the Postmaster General to reinstitute the pony express which, we are confident, will meet local need with credit and give the public the service it rightfully deserves at considerable reduction in cost.

Mr. Speaker, the Postmaster General (Mr. Kierans) has said that the post office is no longer an institution but a function. Many of the rates have not been raised for 17 years, and it seems incongruous to move so quickly to institute new rates which will drastically change the pattern of the mail within a few days. I would strongly urge that this bill be referred to committee, where many interested people who will be very seriously affected by this measure can have their day in court.

• (8:10 p.m.)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I quite frankly did not intend to take part in the debate about the Post Office Department because I felt that enough speeches had been made already. But after listening to those who have held the floor for many hours, I will say simply that the days and the hours follow one another. Since I came to the house—this is my seventh year here—I have learned to do my homework before getting up to speak, especially when we are dealing with a new minister from our province. It is always

interesting to watch his first steps in parliament and we hope to find something new always.

This is a new minister but not a new department and after the many hours I spent listening to speeches, and especially to the minister's replies, I realized that the Postmaster General (Mr. Kierans) is still the spokesman of the faithful—and they just have to be faithful—senior officials led by other senior officials of the Post Office Department because it is absolutely necessary that the minister should be able to fulfil his duties and perpetuate that line of old timers, as the English would say, within that department which is, in my opinion, a particularly fruitful field of patronage, at least in my riding, and throughout the province, I would imagine.

The old game is still being played; nothing has changed. I feel that, in spite of his good will, the minister will not be able to do anything. He was put there and he will have to do the work he is told to do. Sometimes, when I see him looking up at the gallery where senior officials are sitting, while he is reading statements prepared by them, I get the impression that if I were in his shoes I would say: But what are you making me read?

Mr. Speaker, I respect the minister and I feel sorry for him because he has a heavy burden to carry. I do not know if the government put him there to destroy him or to eliminate him but I think that the measures he is asked to take are not of a nature to get him much sympathy in his province.

Mr. Speaker, I rise to tell you on behalf of our party that we are in favour of the amendment just moved. We think that the statements made to date by the minister are dictatorial. He simply asks the house to give him a free hand to do anything he wishes in the Post Office Department. However, Mr. Speaker, I still believe that we can act democratically, that we still live in a period of democratic government, but I do not think that the majority of the members even on the government side, would agree to pass to dictatorship, and that is precisely what the minister has been doing since he told us of his intention to introduce this bill. I think he would be more at ease in a dictatorship, like Russia for instance, to take such decisions. In fact, I will never admit that a minister is given unlimited powers to administer his department.

I say that we are here to protect democracy. We must progress democratically and I urge the minister, if he still enjoys some prestige with his senior officials, or if he can free himself from the ties that bind him today, to give us at least one thing, namely, convince the house, through the will of its members, to refer the bill to the committee, as is suggested in the amendment, so that we can hear the voice of the people really concerned and play our part, in attending the meetings of the committee.

Once again, Mr. Speaker, I understand that the minister is merely the victim today, because I saw the way he behaved in the past, and surely he does not have the qualities of a socialist dictator. However, the decision he just took and the position he maintains in this house are indicative of the most authentic socialistic attitude of our times. And that is why, this evening, I should like at least to urge him to come back to a more wholesome democracy, in this supposedly just society, for I have never seen a one-way just society or a just socialist society.

Mr. Speaker, I wonder why the minister still turns a deaf ear to all the opposition expressed in the house, as well as outside the house, when he has surely received the same telegrams that we did. He may have spent hours answering the telephone, trying to calm down the people, because this bill does not only concern newspapers, it concerns the whole population.

An attempt is being made, today, to tax the whole population and the people are fed up with taxes. We are interested in protecting our papers, both our dailies and weeklies. In my riding, we only have weeklies but we want them to be able to survive in this so-called democracy. The situation which is now being created for our weeklies, and our large newspapers as well, will no longer allow them to ask high enough rates for them to survive.

We, as well as the people in all the other areas—although I must say ours is fairly remote—are entitled to our papers and we are also entitled to having the government allow them to continue to exist. The government does not help them, and I do not think it has ever subsidized our newspapers as it has perhaps done in the case of the large dailies during election time by giving them rather large sums of money.

However, if we were dealing today with the C.B.C., with the whole system of state

propaganda heavily subsidized by the government, then we could indeed speak of patronage, but the newspapers have never benefited from any patronage on the part of the federal government. What we want to safeguard are industries and advertising media used by private enterprise, because we do not want some day to have a state-controlled press, and that is what is going to happen if the present situation persists. If our privately owned newspapers are continually harassed the way they are now, the day will come—and I am convinced that that is what the socialists in this house are hoping for—when we will have a state-controlled press, completely under the thumb of the government, which will say only what the government allows it to say.

• (8:20 p.m.)

This is now happening in the C.B.C. and when questions are asked about the C.B.C. the minister all but tells us that it none of our business. If we had such crown corporations, can one imagine how difficult it would be for the people to obtain trustworthy information? It would be difficult to live in such a democracy and it would be almost impossible to have so-called just society.

Mr. Speaker, I would like to mention at this stage a few telegrams which I have received and which the minister must also have received from our leading newspapers. I have here a telegram from the *Soleil* stating that 18 owners and directors of Quebec dailies have met with the minister and his officials.

I hope that the minister admits it.

Mr. Kierans: Yes.

Mr. Gauthier: The telegram adds that several ministers were also approached. I am sure that they went and knocked at his door and it seems that it did not change anything at all. The minister maintained his position. He decided that on his own, secretly in his office and I would say that he was prompted by his officials who are against private enterprise and who probably told him: "Do that, this is what you must do, you should tax the taxpayer again". It is again private enterprise which becomes the fall guy of this whole ill-planned administration and it is always the same tune: "Curses on the jackass!" let us fight against private enterprise.

Mr. Speaker, I have told the minister that we have received many telegrams from the directors of the leading newspapers—I need not read them for he is motioning to me that he has received them—even from the directors of the *Étoile du Lac* a weekly paper of my riding, who have also protested against the decision of the department. I think that the weekly papers are even more concerned, because I have heard that as a result of the adoption of such a measure at least 50 publications in the province of Quebec would disappear.

If that is the goal the minister is aiming at he only has to continue—he is well on his way—and, within two or three years, we will have only State newspapers to read. I have in hand a brief presented on October 17, 1968 which the minister had certainly received, as it was directed to him and I quote:

I have the honour, in my capacity of president of the Corporation des Quotidiens du Québec Inc., to represent here the French and English daily newspapers of Quebec. On their behalf, I wish to thank you for welcoming us—

The minister can see how polite they are. They begin by thanking him after they have received that staggering blow on the head.

We understand your concern for a healthy administration of government services under your jurisdiction and you know that the press is unanimous in encouraging this. Therefore, we do not intend to stand in the way of the reasonable measures which are under consideration to improve, if necessary, the postal services.

A normal increase would be acceptable; but no one wants to see the rates tripled.

We believe, however, that the proposed reforms, or some of them rather, should be studied again in order to avoid real injustices being perpetrated, even in good faith, or irrevocably damageable measures being adopted.

To set the records straight, let us say first of all that the recent consultation of the officials of your department concerning, particularly, the cancellation of Saturday deliveries, did not receive, on our part, the "extremely warm welcome" to which you alluded, in the house, on October 8th last. The decision of your department rather had the effect of a bomb on the Quebec newspaper publishers, as proved by the letters, invited by your officials, commenting on the decision. Copy of each one of those letters from the circulation department heads of the Quebec newspapers are herewith enclosed. We regret that we cannot confirm your words of October 8th last in this regard.

But the purpose of the meeting we have asked is far more serious. This morning, we will try to analyse briefly the situation that may stem from the passing or the continued application of the measures already announced by your department.

1. Increase in postal rates for second-class mail.

Taking for granted that the figures supplied by your high officials are accurate, i.e. that the mailing rates for printed matter were being increased from $0.025 to $0.05 per pound, and from $0.04 to $0.15 per pound for publicity material, the results would be disastrous here.

Some Quebec newspapers deliver over half their papers by mail.

In addition, in the case of some dailies, mailing costs would be tripled or even quadrupled; this would necessarily lead to an unjustifiable and unreasonable increase in subscription rates (which barely cover the cost of paper and mailing in most cases) and, as will readily be understood, a radical falling off in circulation with ensuing loss in advertising income, the cost of which is directly related to the circulation.

The following table shows better than any argument the increase in newspapers mailing rates and their extravagant and excessive character.

Mr. Speaker, here we are given a table of the mailing rates, which the minister also received:

Sherbrooke's *Tribune* which has 6,978 subscribers and whose subscription rate is $4.60 at present, would be $13.70 at the new rates.

As far as *Montréal-Matin* is concerned, the cost would jump from $6 to $9.

In the case of *Le Soleil,* the subscription rate would be increased from $7.30 to $24.75. There would be less difference in price for *Montréal-Matin,* because the distribution is made in greater Montreal area. But if we consider the position of *Le Soleil,* which serves its subscribers across the province of Quebec, you have an idea of the variation of rates, since the subscription rate at present is $7.30, and it would climb up to $24.75. I need not give the names of all newspapers, the minister has certainly considered many times the position of all of them before going to sleep.

I continue to read the brief, Mr. Speaker but I shall not take very long:

• (8:30 p.m.)

As those figures indicate, the annual cost for the above mentioned newspapers . . . would increase from $615,507 to $1,812,552—

The most surprising aspect of the proposed reforms, is the disproportion between the mailing rates of this class of mail in Canada and those in effect in the United States. In fact, in the United States, since January 1968, the rates on advertising portion are as follows:

(Destination within 150 miles)
1968—$0.046 per pound
1969—$0.049 per pound
1970—$0.053 per pound

(Destination within 500 miles)
1968—$0.057 per pound
1969—$0.06 per pound
1970—$0.064 per pound

The mailing rates for the reading portion (no limited area) are the following:

1968—$0.03 per pound
1969—$0.032 per pound
1970—$0.034 per pound

These are called reasonable and normal increases. I wonder, when we copy the United States so often, why our high-ranking officials have not, once more, tried to imitate our neighbours, at least in order to keep rates within the limits of reason.

Should the forwarding charges on second class mail be the same for all publications in the category? Should no distinction be made between the role or nature of publications and their usefulness to society? Do we not burden some class of publications with costs out of proportion with those supported by the department in connection with their handling?

The particular situation of the Quebec dailies (proportionally few, with a large circulation) the above-mentioned chart, the comparison with the rates in the United States mentioned above, and the questions raised here, as well as in the various editorials published, and in the house, are quite enough to show the need for a more detailed study of the conditions of the increase which might have become necessary.

We are ready to participate in it and to provide you with any information you may require.

The writer of this editorial is not asking for anything impossible; he is merely making a reasonable and a sensible request.

Before their taxes are increased threefold, they should at least be allowed to put their case before a government committee, to appear before this government, which is supposed to be the government of the people.

As to the discontinuance of mail delivery on Saturdays, I wish to say that in our areas most weekly papers are delivered on Saturday. We will therefore have to read Friday papers on Monday. The news will by then be pretty stale, and I think that subscriptions to our weekly papers would fall off greatly. This problem is mentioned in the brief. That is the main argument put forward by the representatives of the weekly papers, and I think the committee should give consideration to this question if it wants these weekly papers to survive and their subscribers to be able to pay a fair subscription rate instead of three times that price in order to get news that are four day late.

Mr. Speaker, we find the following passage on page 6 of the brief:

In a democratic system, the citizen has a right to be informed.

That is exactly what I have been saying in my remarks.

The role of the press—especially of the written press—is to collect and to circulate information.

However, the measures which your Department is contemplating now, in order to settle an administrative problem, will result in hindering the right of the citizen to be informed and the freedom of the press to circulate that information.

Therefore, we suggest that these reforms be delayed in order to allow a more detailed study

of the problem causing them and of the opportunity and the possible application of corrective, efficient and just measures.

We express again our desire to participate in this study—

Mr. Speaker, if the Minister dutifully reads all those reports, as well as all the reports and letters we get, I don't think he can do anything else but accept that this proposal be referred to a committee. For the sake of democracy and of simple social justice, we ask of him this evening to allow those affected to be heard by a committee, even if his decision is irretrievable, even if there is nothing he can do about it, as we know that high officials—tools of Canadian high finance—carry more weight than a mere minister. Even if he has to get off the beaten paths followed by his predecessors, let him try for once, here in this house. Let him take his own decision, a human and democratic decision, by allowing this bill to be referred to a committee for study.

We know that the minister belongs to a majority government and that it is almost impossible for him to be a true democrat. However, if he bows to the opposition's wishes, there would have been at least a few hours of democracy in this house, and the people would be grateful to him for that, since they already detect the monumental blunder.

I sympathize with the big dailies who fought for such a government. As for those big daily newspapers who battled to the end in the last election, I would be inclined to apply to them La Fontaine's fable "The Ant and the Grasshopper" and to ask them: "What did you do when the election days were come? You sang? Well, now you go and have a dance."

[*English*]

Mr. R. E. McKinley (Huron): Mr. Speaker, the main purpose of this bill is to provide for the increase in postal rates in this country, and I can honestly say that in some respects I do not entirely disagree with that. I said in some respects, Mr. Speaker, because in the situation we are facing today we are going to get more and pay less.

Some hon. Members: Oh, oh.

Mr. McKinley: I mean, pay more and get less.

Mr. Asselin: The minister is smiling.

Mr. Kierans: He was right the first time.

[Mr. Gauthier.]

Mr. McKinley: The cost of our service is going to increase and the extent of the service will diminish. I think that we in this house must make a very careful examination of the course and conduct of the department and the minister in this respect. The minister has come to his department fresh and full of vigour, and for that I think we should commend him. I want to congratulate him and welcome him to this house.

• (8:40 p.m.)

Undoubtedly, as a result of his former association with the government of Quebec, with which he served as minister of revenue, he has become concerned with revenue matters. As a result he wishes to increase the revenues of his department and make it pay. In this regard may I suggest as a starter that he revert to ordinary black and white notepaper when sending out replies from his office, instead of using the expensive gold embossed paper currently being used. I also suggest that his previous association with the Montreal stock exchange may have left him with the impression that the suspension of Saturday mail deliveries would not occasion any hardship. I am happy that he has announced a change of policy in this regard.

In this connection may I read a letter I received, just to show the minister that he is heading in the right direction. It says in part:

We have had rural mail delivery for over fifty years. It has become a basic right. The Saturday newspaper is by far the most valuable newspaper of the week. We contract for its delivery by the year in advance and we resent the intrusion of the government into this contract. This is a retrograde step on the part of Mr. Kierans and will be resented by all who have been paying for rural mail delivery over these many years. After rural mail delivery had been established fifty some years ago it was found and publicly stated in the newspaper that the increased stamp sales more than paid for rural mail delivery. Mr. Kierans action is a betrayal of trust. He is being paid for Saturday delivery on routes but is refusing to make delivery.

Perhaps the suspension of Saturday mail delivery would not have caused hardship to members of the Montreal stock exchange, but it would have caused hardship to my constituents. We, in the rural areas, are a little tired of being made the goat every time this government decides to cut back on anything. A recent example of this was the measure to make the farmer pay a higher interest rate for farm credit. It was the government, not the farmer, which caused interest rates to go up to a high level in the first place. The spending policies of this government brought

about that increase in rates. It should have been doing away back, when there were high employment levels as the result of Conservative government policies, what it is seeking to do now.

The minister has also received a number of recommendations, such as the Montpetit report. Some of these ought to be implemented in order to make the department more efficient, so that we may have happier people in the public service. We should look into these reports before reducing services. As I said before, we now have less service for which we are paying more.

I now wish to read these few sentences from "Sound Off" by Gordon Sanderson:

> What's happening to the mail service in this country?
>
> Every week Sound Off investigates problems that have arisen between customers and firms which are traceable to the same cause: "We didn't get the letter."
>
> This can be a pat excuse for internal inefficiency in some firms. Incorrectly addressed mail may also be responsible. The post office is unjustly blamed for much that is not its doing.
>
> Yet how does the post office explain cases of registered mail going astray or correctly addressed letter and pension cheques being delivered to the wrong house?
>
> It would be unfair to make a blanket condemnation of letter carriers or the whole system, but complaints about lost or undelivered mail—once a rarity—are becoming numerous enough to shake public confidence and trust in this most essential government service.

Before raising rates and allowing old inefficiencies to continue the government ought to examine the workings of the department. The government's attitudes towards raising rates is wrong, and I want to explain why I think it is wrong. First, the post office of Canada is a government monopoly. It is a government service and there is no competition. Businessmen, industrialists, farmers, and householders must accept what the government offers, or go without. That in itself may breed inefficiencies. The department is a monopoly that is supported by the people. I therefore think that the government is under an obligation to provide the people with the highest possible level of service.

The government refused to pay the rural mail carriers for being on stand-by during the last postal strike. I am glad to learn that the minister has changed his mind in some aspects of the matter. I ask, why should the letter carriers not be paid? This is the government that is to spend $50 million on an arts centre in Ottawa. Few from my constituency will attend any performances at the arts centre, but nearly all of them will feel the pinch from the increased postal rates. The minister's attitude toward the rural mail carriers was that he would not pay them for six days work when they worked only five days. I think he has changed his mind. Has anyone noticed the ministerial attendance roster? The ministers work in the house on three days a week, yet they all expect to be paid for a full week.

Mr. Perrault: That is a ridiculous statement to make.

Mr. McKinley: The roster is right in front of us.

The minister has changed his attitude, and I am glad. The rural mail carriers in my riding are not organized into a union, but they have a contract with the government which they expect the government to honour. It has been said that rural mail routes are to be amalgamated. It seems to me this would not save a great deal of money and that it would have the effect of putting some mail carriers out of work. In addition, some of the mail would take longer to deliver.

• (8:50 p.m.)

I am glad to know that the Postmaster General has himself lived in a rural area. I ask him to put himself in the position of some of these people who will be deprived of certain services and who will have to pay higher rates. I should like to think that he will take note of what has been said during the debate and consider having this bill sent to a committee, as hon. members have proposed. I well remember the transport bill which was considered in committee with extreme thoroughness, and was reported back with some 70 amendments. I maintain we should have a chance to listen to those whose interests will be seriously affected by this measure, and give it a thorough examination in order to make sure that it will do what is intended without causing extreme hardship to anyone.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, when I listened to the minister's very adequate address this afternoon I could not but think that neither sleet nor storm nor dark of night would stop the mail from going through. I also got the impression that, regardless of sleet or storm or dark of night, it would go through at much higher cost to those who were paying the shot.

I am not critical of the Postmaster General for trying to create confidence in his department but I do suggest that members of the government should use tact and wisdom when applying their powers, when those powers affect the lives of individuals and the enterprises in which they are engaged. I should like to refer in particular to one sector of the economy which is affected by these proposed increases in postal rates, the weekly newspapers. I have been told by the president of a weekly newspaper association in Canada that he knew nothing at all about details of this bill until he got a copy of it from myself.

Did the government not consider that these associations were important enough to be informed in advance of what was happening, or was it an attempt to outmanoeuvre those who would be expected to object to an increase in rates? It is obvious that the Postmaster General did not consult with the newspaper associations. I should like to point out that many of the newspapers in Canada are in financial difficulties. Recently we saw the *Family Herald* fold up; the *Western Producer* has been in financial trouble for a long time. Competition for advertising is hard, and these papers are not in a good position to compete for advertising with television and the larger dailies.

Specifically I object to the arbitrary decision by the department to class as dailies newspapers put out in towns or cities whose population exceeds 10,000. There are at least 79 such papers in Canada—almost as many weeklies as there are daily papers, so this is an important section of our newspaper production. The suggestion has been made to me that a 400 per cent increase in rates is being imposed in connection with these papers. In the case of one paper alone it means an increase of about $1,800 in postal rates.

These people should have the opportunity to express their views and explain how the provisions of the bill would affect them. I am not a newspaperman; I am a farmer. Some members of this house may have worked on newspapers, but I do not think there are many here have had the experience of running a newspaper. I wonder whether we are qualified to judge whether the minister's proposals are desirable on the basis of the facts we have before us. That is why I think it is only fair we should refer this bill to a committee where those affected could make representations or where, for that matter, anyone who objected to these increases could explain his case. As I say, I do not feel competent to assess this situation and I have the feeling that many other hon. members are not competent to do so, either. I find myself wondering whether the department has considered all the angles in this field. In these circumstances the first thing to do would be to refer this subject to a committee, hear representations, and go on from there.

Hon. Marcel Lambert (Edmonton West): Like my hon. friend from Hillsborough (Mr. Macquarrie) I spent the week end looking at the so-called white paper or the financial statement detailing the proposed rate adjustments, along with other documentation put out by the minister in support of Bill C-116. While we can understand the tables and so forth which have been put forward, none of it is backed up by evidence to show that the tables are right.

I put it to the minister. He is the one who is asking for the change, and the burden of proof is upon him. I maintain that having regard to the paucity of information given us in connection with many of the changes which are proposed, this bill must go to committee, as my hon. friend suggests, in order that we may get at the root of these financial difficulties and ascertain why money is being lost at certain levels.

We ought not to rely merely on the fact that the minister says so. The word of the minister is not necessarily the truth of the matter. After all, my hon. friend did show that somebody's computer, or the hand that was guiding it, was way out of line as between six months ago and the present time. All sorts of figures have been put forward as to what might be the results of the operations of the Post Office Department.

No doubt the minister does face a certain problem in connection with the operation, but I am wondering whether he has chosen the correct remedies. On the one hand they propose to reduce services and on the other to increase the cost to the public. Frankly I think that is the bankrupt way of running a business. What should be done is sell the services, increase the volume and make the operation more efficient.

• (9:00 p.m.)

With respect to efficiency, I quite appreciate that some of the government members here feel that the gospel has suddenly descended from the minister, and that what the minister proposes is the absolute truth. It is said that every effort has been made to improve the efficiency of the department. I happen to know postal employees and I can

tell the minister right now that the relationship between the upper level and the lower level of employees just stinks. Employees are dissatisfied with some of the practices that have been prevalent in the department. Some efforts have been made to improve them, but how on earth can you have an efficient operation where the bottom, or main base of the operation, is not pulling along with the top?

We also want to know whether the minister is satisfied that the increased wages paid to postal clerks, delivery men and other employees will be matched by an increase in productivity. If it is not, then all we are doing is stoking the furnace of inflation. The settlements, the strike, and all that took place last summer will go for naught. As an aside, Mr. Speaker, may I say I think the strike was unnecessary. Aside from certain legitimate grievances I think it could be blamed on dilatoriness on the part of the government in dealing with grievances, and also on lust for power on the part of certain union officials. We can do without both. The government must pick up its socks in dealing with its employees, but this must be matched by a certain degree of responsibility on the part of those who lead the employees.

We are told that we will get a five day postal service for parts of Canada. In a matter of public service I do not see one iota of justification for a distinction to be made between rural and urban residents. In saying that I acknowledge that the rural residents are fully entitled to what they are going to get, but urban residents are entitled to the same degree of service. They have the same claim with regard to mail. They have the same status with regard to legal consequences.

As a classic example I cite a rule of the Immigration Appeal Board which states that the period for appeal shall expire within 15 days, I believe, following the making of an order, not 15 days after receipt of the order by the person concerned. To a person living out in northern Alberta, British Columbia, or some other distant urban point from Ottawa, this means that when a decision of the Immigration Appeal Board is sent to him it will remain in the city post office from Friday until Monday before delivery to him, and three days of the 15 day period will be lost to that person.

First of all, I think that Immigration Appeal Board regulation is wrong. It is a made-in-Ottawa ruling that should have no application across the country. But under the new postal regulations its effect on persons living in urban areas at a distance from Ottawa will be worse than on those living in rural areas. The minister and his officials may blithely ignore the effect, but I point out that their proposed step does affect the legal rights of citizens.

There are many other instances where legal matters are not dependant upon the receipt of a letter, but upon the time of its dispatch. In a case such as this the postal authorities may well say, "It is tough luck that you happen to live in a city or urban area." I ask the minister and his officials what relief they will provide in such a case. The minister is quite prepared to provide relief against the hardship of rural residents not receiving their Friday newspapers, but that is a small thing compared to the legal rights of someone who may be adversely affected by the decision to suspend Saturday mail deliveries.

Admittedly there would be no grave danger if other existing legislation were changed to take account of this change in postal deliveries. But the other legislation is not being changed, and no one has told us that it will be changed. I would like the officials of the department to give a detailed answer on this matter, so that we may see whether they have thought it our or not.

I wish to make two more points, Mr. Speaker, with respect to city businessmen. I have here a copy of a letter written to the minister by a national merchandising and warehousing firm which does freight distribution for the Canadian National Railways in many communities both in the west and east. This is what the president of that company wrote with regard to curtailment of the Saturday mail service:

> Frankly, it will work a real hardship on us if we are unable to do so—

Meaning to pick up their mail on Saturdays.

> —and in addition, a hardship on the shipping public as it will not be possible for us to deliver merchandise arriving in cars on Friday night, Saturday night and Sunday night in our various locations—

And these are listed in Alberta, British Columbia, Saskatchewan, and Ontario.

> The billings that we receive from the east represent a good portion of our mail for Saturday. The envelopes might almost be described as small parcels and it is imperative that we have these for preparation on Saturday in order that we can be ready to open cars on Monday morning and make delivery. Some of the merchandise is perishable, arriving in refrigerated and heated cars. If they are not unloaded it is necessary to maintain

refrigeration or heat, all of which would add considerably to the cost and increase the cost of the merchandise to the public.

At the present time firms such as this pick up their mail at the post office either from a very large lock box, or as in the case of this particular firm, through a sack arrangement whereby they can pick it up at the counter.

Mr. Kierans: The service will still be available.

Mr. Lambert (Edmonton West): Mr. Speaker, the minister received an injunction from my colleague this afternoon and I do not think I need repeat it. If the minister has paid attention to this point, then it is all to the good; but if that service were curtailed or completely eliminated there would be considerable cost and inconvenience. I think it can be said from his gestures that the minister has perhaps modified his stand in this regard. I shall wait for his further answer.

I now wish to deal with the question of the religious press. We are told that under the provisions of this bill a weekly newspaper published in a town of less than 10,000 people will have the first 2,500 copies of its publication handled free of charge if delivered within a radius of 40 miles. Most of the religious publications do not fall in this category. They are not the profit makers. They do not get government advertising in any volume. They do not get lush supermarket advertising. Most of them exist on a hand-to-mouth basis. Yet in the case of one of these publications in western Canada it will have an additional postal charge of $7,000, just about enough to cause it to close its doors unless there is a substantial increase in its subscription rate.

• (9:10 p.m.)

In this regard we run into some other complications. Canadian magazines as a whole will be penalized vis-à-vis United States and foreign publications. For one thing, in order to meet the increased postal costs Canadian magazines will have to increase their subscription rates. United States magazines will not have to do this because there is nothing in the bill which says there will be any greater charge imposed on United States magazines. The postage on United States magazines is paid in the United States, and therefore the Canadian government does not benefit from this. So therefore it is completely irrelevant. What we are concerned with are Canadian magazines and Canadian newspapers. I shall not talk about those pseudo-Canadian magazines, *Reader's Digest* and *Time* magazine.

[Mr. Lambert (Edmonton West).]

Just another bonus is being given to them as against truly Canadian publications.

The government of Canada has always held to the principle of subsidizing in some way the press in general because of its importance to the Canadian national life. The minister now says we will get rid of that principle, that the principle no longer applies. Surely to goodness it ought to be enough, that Canadian publications are already under the heaviest possible economic competition from the United States. They do not have the built-in advantage of *Time* and *Reader's Digest,* which were legitimatized in some fashion by the action of the administration of which the minister is a member.

Secondly I think—and some people have mentioned this today—that since the Canadian public is being asked to subsidize another communication media for the dissemination of ideas, to wit the C.B.C., we should be able to subsidize in some way Canadian newspapers and periodicals which also disseminate Canadian ideas. With regard to the church press, I believe perhaps it would be a desirable objective to assist the dissemination of views which are a counterpoint to some of the irreligious drivel one sees from time to time on the C.B.C. If we are prepared to subsidize some of the programming on the C.B.C., surely there is a real case for subsidizing the counterargument in the church press. The minister has received a very extensive brief from the representatives of the church press. I think this was worth while reading, but I need not repeat it at this time.

I am not sure that this bill meets the problems of the Post Office Department. It is stated that the department will have a deficit, but no factual proof has been put forward, outside of some tables. Nothing has been said about why it costs so much to handle one piece of first class mail, newspaper, or whatever it might be. Nothing has been said, other than the mere statement that it costs a certain amount. Nothing has been said about improving the efficiency of the department. Nothing has been said about meeting the wage increases and so forth with increased productivity. Many questions have been raised by this bill which remain unanswered.

It is for this reason that I entirely support the contention put forward by my colleague, the hon. member for Hillsborough, that this bill must go to a committee for a detailed answer and for the minister to prove his case. It is not up to this house to prove that the minister is wrong.

Thank you, Mr. Speaker.

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, the amendment before us requires that this bill be referred to the standing committee on transport and communications. Why such a request, when the hon. members have all the necessary information to reach at once a just and reasonable decision?

Mr. Speaker, never have the hon. members received for the consideration of a bill, as much material, briefs and working papers as were submitted to us by the hon. minister. In fact, his 21 page document contains all the statistics and every information available to the department. I wonder what else we could learn in committee.

The hon. minister received representations from scores of associations of dailies, weeklies and magazines. Members of the opposition have stated that they have a copy of these requests before them. Mr. Speaker, what else will the representatives of these associations state before a parliamentary committee?

Furthermore, we have also read the editorials and my honourable friends opposite have quoted several this afternoon. All hon. members have also before them a copy of the hundreds of telegrams which were delivered during the weekend.

As was said this afternoon by the hon. minister, newspapers are not taken by surpise, and I quote what he said:

> As for the allegation that the increase is sudden, this I cannot accept. This issue was raised in the house in 1964 and again during consideration of legislation last year.
>
> The publishing industry, I submit, has been well aware for some time that changes were coming and were overdue.

Mr. Speaker, the opposition parties ask that the bill be referred to a standing committee for the sole purpose of making a little publicity for themselves. Therefore, let us pass the bill at once and later on, let us suggest to the opposition that it should ask the right hon. Prime Minister (Mr. Trudeau) to present a bill to subsidize newspapers. Then the N.D.P. members especially will be able to appear before the committee and bring their witnesses in order to justify that this house can pay a $982,000 subsidy to the *Reader's Digest* and a $864,000 subsidy to *Time*.

Mr. Speaker, what will be the response of the taxpayers to such a legislation? Is it not what the opposition wants to do indirectly today?

We have already spent five hours on that resolution and for the last four hours—

Hon. Martial Asselin (Charlevoix): If the hon. member will allow me a question—

Mr. Cyr: I will conclude, Mr. Speaker.

We have spent five hours studying that resolution and now we are beginning the fourth hour before giving that bill second reading. Canadians want this house to study the bills quickly and post office patrons, especially all Canadians, approve the increase provided in the bill for first class mail.

Some hon. Members: Ah, ah.

Mr. Cyr: Certainly. I would say to the hon. member opposite that last Friday night on a radio program in Montreal I spent two hours answering questions from Montrealers and that all those who called were in favour of the bill introduced by the Postmaster General (Mr. Kierans).

Mr. Asselin: Mr. Speaker, I rise on a point of order.

I am so astounded to hear the words just spoken by the member for Gaspé that I want to clear up the matter in the house. How is it that last week, he was the spokesman of the Liberal members in their opposition to the minister's bill? Why this sudden change of mind?

Mr. Cyr: Mr. Speaker, I am grateful to the member for Charlevoix for having raised this matter. We are in a democratic country, the party of which I am a member is a democratic party and all members have the right to express their ideas.

Some hon. Members: Hear, hear.

Mr. Asselin: That sounds like a road roller.

Mr. Cyr: It is true that I have been appointed chairman of an *ad hoc* committee, as the minister reported in the house two weeks ago, but that was to consider the statement he had made concerning the abolition of mail distribution on Saturdays. Today, I congratulate the minister for his statement concerning the mail delivery service in rural areas.

Some hon. Members: Hear, hear.

Mr. Cyr: Mr. Speaker, the bill under consideration has nothing to do with the mail delivery on Saturday. I feel that if we refer this bill to the standing committee of the house, that will be merely filibustering on the part of the opposition.

Some hon. Members: Hear, hear.

Mr. Cyr: Let us vote immediately on this amendment, in order that we may achieve something and do what our people have sent us here to do, namely work for the welfare of them all, and I think that the filibustering going on at present will do no good to the country.

• (9:20 p.m.)

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I should like to say at the outset that I intend to be brief.

My colleague the hon. member for Hillsborough (Mr. Macquarrie) criticized constructively and in detail this afternoon the measure concerning and the operation of the Post Office Department. However, Mr. Speaker, I cannot but take advantage of this opportunity tonight to present the views of my constituents concerning Bill C-116.

Mr. Speaker, the measure now before us may greatly and unfavourably affect the taxpayers of my riding as well as others, and I shall pay no heed to the hon. member for Gaspé (Mr. Cyr) who has just urged us to support this bill. In my opinion we are here to serve the best interests of our constituents and, by expressing their views and voicing their objections to the measures presented by the minister, we are only doing our duty.

Like many others, we could very well do without the advice of the honourable member for Gaspé, because he changes his mind a little too often. While last week, he was campaigning against his own minister, today he kowtows to him and acts as the spokesman of the very person he was fighting against last week. Mr. Speaker, advice coming from such a frivolous person should be dismissed with the same speed as the one he would like us to use to pass this measure.

Some hon. Members: Hear, hear.

Mr. Cyr: Mr. Speaker, I should like to bring to your attention the fact that during our discussions last week there never was any question about the bill...

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

[*English*]

Mr. Deputy Speaker: Order. Would the hon. member resume his seat, please. There can be only one point of order at a time, and I am trying patiently to listen to the point of order, or the alleged point of order, of the hon. member for Gaspé.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, what is the merit of his point of order?

Mr. Cyr: Mr. Speaker, I should like to point out to you that during our discussions in the previous weeks, consideration of Bill C-116 never came up before the minister's statement—

[*English*]

Mr. Stanfield: That is no point of order.

Mr. Ricard: There is no point of order in that.

[*Translation*]

Mr. Asselin: The hon. member who just had the floor did not even tell Mr. Speaker that he was raising a point of order, and he rises on a question of privilege. Therefore, let him resume his seat since he has no reason to raise a point of order. Besides, he is delaying the debate and the passage of the bill.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Saint-Hyacinthe (Mr. Ricard).

[*Translation*]

Mr. Ricard: Mr. Speaker, I agree with you that the member for Gaspé had no cause to rise on a point of order and, as my colleague for Charlevoix just said, the member for Gaspé is only holding up the passing of the bill, which he would have us rush through.

• (9:30 p.m.)

Mr. Speaker, in introducing his measure, the Postmaster General (Mr. Kierans) referred four or five times to the just society he would like to see in Canada. It would seem that it is in the name of that just society that the Postmaster General wants to increase the postal tariff, to reduce postal services and do away with 1,500 jobs which Canadians now hold. If that is the idea the hon. minister has of a just society, I think he should reconsider what a just society is and reconsider his plans for the future.

As a former provincial minister and in view of the aspirations the minister had last April, it is quite proper that he should try to impress the house and the whole country. It is quite understandable that the minister

should have chosen as his aim the reorganization of the Post Office Department.

He must be congratulated.

Some hon. Members: Hear, hear.

Mr. Ricard: I see that the surplus of Liberal members sitting on this side of the house have been well trained, because every time the word "congratulate" is mentioned, they immediately becomes noisy. They do it by nature.

Some hon. Members: Hear, hear.

Mr. Ricard: You see, Mr. Speaker.

The minister must surely be congratulated for trying to save up tidy sums for the Canadian people. However, he should also take that opportunity to practise what he preaches and encourage his other colleagues of the cabinet to do likewise, because we now have a cabinet which has already gone down in history for allowing exorbitant and rising expenses.

If we compare, Mr. Speaker, the statements made this afternoon by the Postmaster General with those made by his predecessor during the first months of the year, we are justified in pondering over the matter.

Contrary to his predecessor who said that first class mail did cover its cost and even brought profits to the government, the minister claims that first class mail bring no profits. Mr. Speaker, it will certainly be agreed that we are right to demand more information, more light on that question, and it is strange indeed that the minister does not comply with the request to defer the proposed measure to a committee so that those who are the most interested get the opportunity to air their views. We would benefit, I am sure, of the mass of information brought to light by businessmen, newspaper editors, newsmen, in a word, all the people who will have to foot the bill of the increase of rates the hon. minister is proposing.

The proposals made by the minister are so unpopular among the people that, as soon as they were announced, they were met with a general outcry. I have here an article from the Granby newspaper, *La Voix de l'Est*, which reports the conclusions drawn by Les Quotidiens du Québec Inc., at a meeting held recently. Here is the heading.

"Mr. Kierans must respect the right of the rural population to be informed".

Mr. Speaker, responsible people such as newspapermen and newspaper owners do not make such statements lightly and they claim that with those proposals Mr. Kierans would like to deny the rural population the right to be informed.

There is in that measure something which must necessarily stir up the population and which gives us the opportunity to make representations on behalf of the rural people and, at the same time, say that the people who live in urban areas are entitled also to be informed.

Mr. Speaker, the people who would have been willing to accept a certain increase, if it had been reasonable. But the increases proposed by the hon. minister are simply extravagant. When we refer for instance to 100 per cent, 375 per cent, and 150 per cent increases, there is a reason not only to be concerned but also to object. Besides, it is our right and our privilege in this house, and we are using it at this time, because we want the honourable minister to realize that he is about to do a disservice to the people.

With its majority and the docility of its members—we have not heard a single Liberal member who dared protest—the government is going to use the steam-roller in order to steam up all its supporters and compel them to vote for the proposal which is before them. It is not the first time that we see such a complete reversal of opinion among government members, and we will surely see it again before long.

With regard to the brief recently presented to the Postmaster General, for a minister who wants to make every effort to establish a just society, it is surprising to see that he makes no bones about increases.

I have here a table of the increases proposed by the minister, and I would like to quote a few:

For instance, the Sherbrooke *Tribune* which is now paying $32,099 a year for the forwarding of its mail will have to pay $59,-599 a year for the same service. I say for the same service provided that it is maintained as it is now. If the minister's suggestion is carried out, some readers will not be able to read, as they used to, their daily paper on Saturday, since there will be no distribution in urban districts on that day.

With regard to *La Voix de l'Est de Granby*, they now pay $12,970 to get their paper delivered; with the rates proposed by the one who would establish a just society, they would have to pay $35,647. Who, in the final analysis, will have to pay the cost of those increases?

(9:40 p.m.)

The minister would have us believe that the newspapers and the publishers will, but logic has taught us for a long time that when taxes go up the consumers always end up paying the piper.

Mr. Speaker, God knows that the cost of living has increased in such leaps and bounds under the present administration that we should not allow that same administration, under the cover of a just society, to act in such a way that taxes are increased once again, for lack of foresight or lack of ties between the members of the cabinet and the Canadian people.

Mr. Speaker, I feel that this legislation should be referred to the committee so that all interested parties can express their points of view on the matter. I am convinced that allowing this bill to be studied in committee would serve the Canadian people well.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have just listened attentively, along with everybody else, to the remarks made first by the member for Gaspé (Mr. Cyr) and, right after, by the member for Sainte-Hyacinthe (Mr. Ricard).

The hon. member for Gaspé told us that he had taken part for two hours in a radio broadcast in Montreal and that everybody told him that they were satisfied with the increase in postal rates and taxes. I think the hon. member would find it difficult to tell us who exactly supported this measure, when we are receiving telegrams of protest against Bill No. C-116 from all parts of the province and the country, and when we read in a newspaper that a committee of 35 Liberal members is opposing Bill No. C-116.

An hon. Member: That is not true.

Mr. Caouette: I think one hon. member has just said that is not true. However, there are others in the lobby who tell us that it is.

Some hon. Members: Hear, hear.

Mr. Caouette: Mr. Speaker, among the Liberal members who object to a rate increase, not one was courageous enough to rise. Most of the Liberals from Quebec, for example, were elected on the free publicity given to them by the Liberal newspapers of the province. And today, at a time when they should protect the interests of those who helped them to be elected to parliament, they are glued to their seats with Lepage glue. Not one dares to rise and defend those who made them win their election.

Let us take as an exemple the case of the member for Langelier (Mr. Marchand) who benefited from ample publicity in *Le Soleil* of Quebec City. Now, we receive loads of telegrams to protest against this measure from none other than Gabriel Gilbert, chief editor of the newspaper *Le Soleil*. He is sending us rather long telegrams, Mr. Speaker, two pages long. Mr. Gilbert did not send me such long telegrams during the election campaign in order to help me to be elected in my riding.

Now that the hour has come to defend the interests of private enterprise, Mr. Gilbert knows where we are. He knows we are now in the House of Commons and I would like to point out that I share his views, even though he does not share mine in the field of politics. He agrees with the Postmaster General's views. He now complains that the Post Office Department is going to be the death of him.

There are others in the region of Quebec; the hon. member for Quebec East (Mr. Duquet), for example, who is now in the house and has been well treated by the Quebec newspaper *Le Soleil* when he was given half page publicity on a free basis. What is the hon. member for Quebec East waiting for? Let him rise and take the defence of his sponsors in Quebec city the newspaper *Le Soleil*. What is he waiting for?

An hon. Member: He is stuck to his seat.

Mr. Caouette: He is stuck to his seat. This will appear in *Hansard* to-morrow morning. Mr. Gilbert, of Quebec City, will read that the hon. member was stuck to his seat in front of me this evening.

Mr. Speaker, the hon. member for Montmorency (Mr. Laflamme), is doing likewise. He is stuck to his seat, he does not move, he does not undertake the defence of those who helped him to get elected.

In the Hull area, it is the same. The hon. member for Hull (Mr. Isabelle) does not rise to his feet to defend *Le Droit* which entirely supported him when he was elected.

An hon. Member: He is ill!

Mr. Caouette: He is ill, yes, as all the Liberals should be under the circumstances.

Mr. Speaker, in another constituency, that of Lévis—in the Quebec area—there is the problem of the shipyards. The hon. member for Lévis (Mr. Guay) is here, but he seems to

be away since he never moves when he should rise to defend his supporters of the Quebec area. He stays seated. The member for Lévis knows that he cannot even speak up to defend the newspaper *Le Soleil* of Quebec City, because the government forbids him. The government stays still and the Liberals remain seated. My friend of the Montreal area is also keeping rather quiet.

Mr. Speaker, the member for Trois-Rivières (Mr. Mongrain) who was looking after the interests of his people in the Mauricie district and who the other day was accusing me of not being present in the house, realizes now that I am more present in the house than he is, since he does not have the courage to stand up and fight for *Le Nouvelliste* of Trois-Rivières.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I rise on a question of privilege.

The hon. member seems to suggest that I follow dictates contrary to those of my conscience. My attitude proves at least that I am not in the pay of the large circulation newspapers of this province.

Mr. Caouette: Mr. Speaker, the question of privilege the hon. member has raised shows that he has no political conscience, we know that by experience.

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

The Acting Speaker (Mr. Béchard): Order. The hon. member for Trois-Rivières.

Mr. Mongrain: Mr. Speaker, the hon. member just said I had no political conscience. I think he is a very poor judge in that matter.

Mr. Caouette: Mr. Speaker, the hon. member for Trois-Rivières is aware of that. Besides, the electors in his constituency also know about it. Whenever it suits him, he supports the Union Nationale; whenever it suits him, he is independent, whenever he can get créditistes votes, he is in favour of Social Credit, and, after all, he is a Liberal—

The Acting Speaker (Mr. Béchard): Order. I should like to ask the hon. member for Témiscamingue (Mr. Caouette) to stick to the question under consideration.

Mr. Caouette: Mr. Speaker, such is my intention; nevertheless I was speaking on the question of privilege raised by the member for Trois-Rivières.

Now I am coming to the question before us.

I think that whenever the member for Trois-Rivières raises in the future a question of privilege that is accepted by Your Honour, I will at least be able to reply to the hon. member; I shall be happy to do so, because I know him so well. So that is why I allow myself to reply to his questions of privilege.

Mr. Speaker, I shall say no more on the question of privilege, since the hon. member for Trois-Rivières (Mr. Mongrain) is presently as white as a sheet. He finds it hard to swallow what I have just said, because his colleagues in the Liberal party are applauding my charges against him.

Mr. Speaker, I shall now resume my remarks on Bill No. C-116. We have received plenty of telegrams from various newspapers in the province.

I while ago, I mentioned Mr. Gabriel Gilbert, publisher and general manager of *Le Soleil*. We have also received a telegram from Mr. Eric Perras—not Mr. Eric Kierans, but Mr. Eric Perras—president of the newspaper *Le Nouvelliste* in Trois-Rivières, who was opposing Bill No. C-116. We have got a telegram from *L'Action*, of Quebec City, signed by Mr. Fernand Blais, its director of public relations. Another one was sent by *Les Quotidiens du Québec, Inc.*, under the signature of Mr. André Bureau. We have received a telegram from the *Quebec Chronicle Telegraph*, signed by Mr. J. H. Moonigan, and a second one from Mr. Gabriel Gilbert, who was objecting to that same bill.

Mr. Speaker, we are against that bill. Why? Because we want first of all to protect the democratic rights. We want the public to be informed more completely and we do not want the voice of the information media to be stifled or their power diminished. That does not mean that we accept without reservations what is printed in the newspapers and all the news they publish. We have had cause to complain quite often about the way the newspapers treated us by forgetting our existence. Today we are less easily forgotten; we are reminded of that because we are considering this bill.

The Conservatives, whose stand was explained earlier by the hon. member for Saint-Hyacinthe (Mr. Ricard), criticize the government for wanting to increase the rates. They also criticized the government at the time of the postal strike. The Conservatives

spent whole days putting questions to the Postmaster General—who was not the present minister—about the settlement of the strike while the postal workers were asking for rather high salary increases. The Conservatives were saying: Settle the strike, grant salary increases. The Conservatives knew then that salary increases would lead us inevitably to Bill No. C-116 now under consideration.

• (9:50 p.m.)

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

The member for Témiscamingue should tell us when and what members of the Conservative party urged the government to grant increases to postal workers. That is not what we said. We told the government that it had to intervene and settle the postal strike as soon as possible, for the good of the people. Nothing was said about salaries. We said that the government had to develop a salary policy.

When the member for Témiscamingue tells us that all Conservatives—

Mr. Caouette: Mr. Speaker, the hon. member for Charlevoix is in fine fettle tonight. That is exactly what I said a while ago. The Conservatives badgered the government with questions, to settle the strike as quickly as possible when the only way to bring it to an end was to agree with the salary increases. This the member for Charlevoix is well aware of. Only, I would like to know why, when the Conservatives were in power, they did not then solve the postal problem? What about the way Canadian postal employees were treated?

The Conservatives were in power from 1957 to 1962, that is five years, and we had strikes at that time. There was unrest amongst postal employees throughout Canada—

Mr. Lambert (Edmonton West): No strikes.

Mr. Caouette: Mr. Speaker, no strikes. There was a strike as soon as the Conservatives came to the end of their mandate, and there was unrest amongst them at that time. What did the Conservatives suggest to the government to solve the last conflict? Absolutely nothing. But today they are willing to say: We are against increases.

It is obvious that salary increases granted at that time are part of the present costs of the Post Office Department. We know that, and the minister is right on this point. However, that does not mean, for example, that the Canadian people are able to pay more in taxes than they do now, and that is why we are always saying that we should balance the budget not according to the taxes we collect, but according to the various commodities we are able to produce in Canada, according to the number of services we can provide, and by means of new credit. The Postmaster General is not considering that possibility. Indeed, he told us this afternoon: The only means at our disposal to increase our revenue is to ask the taxpayers for more money. That is the only way we can operate and raise the salaries of Post Office employees.

Mr. Speaker, we cannot accept such a reply from a responsible minister of a federal government which claims to be sovereign. A sovereign government does not grovel before those who control the economic blood of a nation. If you are sovereign, you manage to control your own economic blood, and this is what the Créditistes ask for. We are not surprised at the protests that came from Canadian and Quebec newspapers. We are not surprised to see the Liberals rooted to the spot. We are not surprised to—

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

Mr. Caouette: Certainly.

Mr. Cyr: Does he also take the defence of the owner of the *Vers Demain* newspaper?

Mr. Caouette: The hon. member's question shows beyond doubt, Mr. Speaker, how much intelligence is to be found between his two ears. Never mind. If he were a reader of *Vers Demain*, he would have shown perhaps more shrewdness in his questioning.

Mr. Speaker, I see that the newspaper *Vers Demain* is not even published in my constituency. In fact, it was in a nice Liberal constituency that the Blessed Virgin was recently supposed to appear, that is in Saint-Bruno. She probably did not appear, because the constituency was too Liberal.

Some hon. Members: Ha, ha.

Mr. Caouette: Mr. Speaker, in the Montreal area, there is not a single member who is not

Liberal. I think there are 25 or 26 constituencies, but they are all Liberal. Someone is telling me about satiation. Yes indeed, we are satiated. I beg your pardon, he says they are seated, which is not the same thing. It is true that they are seated. The authorities of *La Presse* from Montreal are also complaining about the new legislation and the minister comes from that area. The minister has taken advantage of the free publicity and now in acknowledgment, the newspapers are subjected to a tax levy which will increase the cost of newspapers for consumers or Canadian readers. Newspapers cannot live on their subscriptions, they live on their advertisements. The price of advertisements will have to be increased. Even though the cost of advertisements can be deducted from the income tax, they still are part of the price and they will result in an increase of prices to consumers. Finally, it is not the newspapers which will pay, it is not the rich who will pay but the common people, those who subscribe, those who pay for ads in the paper, those who buy in the stores which advertise; they will all pay the increase and in the present system, Mr. Speaker, I know it cannot be helped. I also know that nothing is done to beat the system. There are palavers on either side of the house. We know that the bill will be adopted and this allows us at least to vent our feelings. Some have such and such an opinion. Conservatives, who are on your left, Mr. Speaker, would have quite another opinion if they were on your right. And they say they are sincere.

Mr. Speaker, may I say that it is ten o'clock?

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

CONSUMER AFFAIRS—REPORT RESPECTING GROCERY PRICES ON PRAIRIES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, on October 16 I tried, rather clumsily I admit, to question the Minister of Consumer and Corporate Affairs about the recent decision of the Director of Investigation and Research under the Combines Investigation Act that the Batten report "contains no convincing evidence that grocery prices on the prairies are excessive". For this reason, said the director, no prosecution is warranted.

Having again gone over the evidence contained in the Batten report, I am at a loss to understand the director's decision, Mr. Speaker. I am equally at a loss to understand the minister's apparent acquiescence in this decision. The Batten report table 10-26, for example, presenting impeccable data, including bureau of statistics data, makes a comparison between all of Canada, and the five main prairie cities. This comparison shows that for unincorporated grocery stores in those five prairie cities the operating profits are 21 per cent above the Canadian average, and for corporations and co-operatives—which sell at the regular trade prices—the profits are 57.5 per cent above the Canadian average.

How excessive does "excessive" have to be before it becomes excessive, Mr. Speaker? That is what I should like to know. Profits on the prairies having been found to be 21 per cent above the Canadian average in unincorporated grocery stores, and 57.5 per cent above the Canadian average in corporations and co-operatives, no wonder the Batten report found and proved that prices charged for groceries were excessive. In a comparison with United States, prairie grocers have been making between two and three hundred per cent profit above the U.S. level.

• (10:00 p.m.)

Should the combines investigation branch require further convincing evidence that prairie prices are excessive, here is is—and I am quoting from the pages of the Batten report:

> The top four firms directly control over two-thirds of the market in Regina, Saskatoon and Calgary, and indirectly control through affiliated groups over two-thirds of the market in all five cities. This strongly indicates that the excess profits which are earned on the prairies are due to monopoly power.

Some of us had thought that the purpose of the Combines Investigation Act was to prevent the growth of monopoly power. Perhaps it works that way only with mini-monopolies. It seems that when the Batten commission recommends that there be a combines investigation to focus particular attention on the dominant positions which Canada Safeway

and the Weston companies have secured, the combines investigation director turns a deaf ear, the excuse being that the Batten commission did not prove its case.

I wish to cite just one more carefully documented set of conclusions from the Batten report, which ought to convince the Combines Director as it does the Canadian consumer of the need for government action. I quote:

> Taken together, excess profits and costly excess capacity reduced consumer well-being by $61.28 per family of four in 1966. This is an extremely large loss when it is recalled that the gross margin of retail grocers is only 15 per cent to 20 per cent which means that retail grocers render only about $190 to $250 of service per family of four each year—

A further loss in consumer well-being occurs through advertising, and again I wish to quote the words of the commission report:

> Without judging what is excessive, it may be noted that at present grocery advertising costs the average family of four $14.80 on the groceries it buys.

How much more evidence is required before the Department of Consumer and Corporate Affairs moves to protect prairie consumers? It seems to me that if further convincing evidence is required the director should be in a position to live up to his title and conduct the sort of investigation and research that will convince him of the truth of the facts cited in the Batten commission report. In his own report the director shows uneasiness about the whole prairie grocery retailing situation, in these words:

> However, while the corporate chains by no means have the field to themselves, a few of the largest ones have a degree of economic power in some regions which calls for vigilance by public authorities.

My question, Mr. Speaker, was this: In view of the decision not to prosecute, what measures is the branch or department taking to deal with this situation? I await the minister's reply with interest.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, in three minutes it is impossible to deal completely with all the recommendations of the Batten commission. I wish to make it clear that the director's annual report commented on the evidence and recommendations of the report. It said that these recommendations and evidence did not constitute grounds for a prosecution under the act.

The hon. member for Vancouver-Kingsway mentioned a few of the points that were

[Mrs. MacInnis (Vancouver-Kingsway).]

brought out in the Batten report, and perhaps I might deal with them. It may be that there is an alleged overbuilding and underutilization of stores in some prairie cities, but fortunately or unfortunately, that is not an offence under the Combines Investigation Act. The Batten report commented on the building of luxurious stores. That may or may not be the case. But, in any event, that is not an offence under the Combines Investigation Act.

The Batten report talked about costly advertising campaigns; and again, rightly or wrongly, expensive advertising campaigns are not offences under the Combines Investigation Act. The evidence in the report, and this is really what the director was saying, did not justify an inquiry or a charge under our Combines Investigation Act.

I am glad the hon. member quoted from that part of the director's report where he expressed uneasiness about conditions on the prairies, and where he said that the situation required and would receive continued vigilance on the part of public authorities. That vigilance has been exercised and is being exercised by the combines branch. The branch conducted a thorough study of concentration in the food industry in 1959. It has followed up that work and made it clear that it would continue to study concentration in the food industry across Canada.

The hon. member served on the joint Senate-House of Commons committee of which I was co-chairman. It was concerned with this question, and following the recommendation which was made by that committee the branch has been continuing its studies and its policy of vigilance in this field, not only on the prairies but in the whole of Canada. In the press release accompanying the director's annual report I revealed that this vigilance had been exercised and was resulting, for example, in an examination of predatory pricing practices by one of the major chains in one of the prairie cities.

What we are saying is that the evidence presented in that report did not justify a charge. The branch and its officials are maintaining within the limits of their resources surveillance of conditions on the prairies and throughout Canada, and when evidence is presented to them justifying a charge under the Combines Investigation Act a charge will be laid, as charges have been laid in the past.

Mr. Deputy Speaker: I am sorry, but the minister's time has expired.

PUBLIC SERVICE—SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on October 18, as reported at page 1534 of *Hansard* I put the following question to the Minister of Finance (Mr. Benson):

> In view of the minister's long, strong personal record of support for increases in the pensions of retired civil servants, can he say whether this matter is actually under consideration by the government of which he is now a member.

The minister replied that he had nothing to add to the answer he gave a short while ago to a similar question. I pressed him as to whether there would be an announcement about this matter at an early date, and his reply was: "Probably in due course."

I read that extract from page 1534 of *Hansard* for Friday, October 18, but as the Parliamentary Secretary to the Minister of Finance (Mr. Gray) must know, because I assume he has done some research into this matter and because I realize he is interested in a personal way, that same kind of exchange can be found on scores of pages of *Hansard* over the past number of years.

Despite the difficulty we face in getting action I rise again tonight to plead with the government to take action on this important matter. I plead with the parliamentary secretary, if he is making the answer to me tonight, not to put us off again with the story that the matter is under consideration. I have been told that for 20 years. The whole house has been told this repeatedly since May 8, 1967, when a joint committee of both houses recommended unanimously that increases be provided for federal superannuates.

I also plead with the parliamentary secretary not to give us the line about inflation, the need to curb expenditure and so on. We know that line very well. But, surely, you don't take this sort of thing out on people who are in the kind of need that faces many of those who are pensioners of the government in various categories.

It is not necessary for me to go over all the arguments we have made from time to time about these employees—that they have a special claim on the government because the government was their employer, and so on. I would remind the parliamentary secretary, I would remind this house and I would remind the country that the issue does not stop here.

I would remind him that there are others who also have a right to have their pensions increased because the cost of living has gone up and because standards of living have gone up. But surely this is a place where the government ought to start. Surely this is a place where the government cannot plead that it is not in a position to give a lead.

• (10:10 p.m.)

I notice, Mr. Speaker, that almost every time this question is raised in this house, especially if it is raised by someone else, hon. members look at me as if it is my question. I am glad to have it associated with my name, but I am also pleased to note the growing number of members in this house who take the same stand. The Public Service Alliance of Canada put out a release on October 9 indicating that a number of members had written to the Alliance expressing their support for increases in pensions for retired civil servants. I am sure more letters have been written since then, and in that sense it is unfair to indicate these names; but I think it is significant that the people who support the position I am taking include the following Liberal members: the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), the hon. member for Sarnia (Mr. Cullen), the hon. member for Don Valley (Mr. Kaplan) and the hon. member for Papineau (Mr. Ouellet). I have already referred to the parliamentary secretary to the Minister of Finance, the hon. member for Windsor West (Mr. Gray). And I see down to my far right is the leader of the rump, the unquestioned leader of the rump tonight, the only one down there, the hon. member for Burnaby-Seymour (Mr. Perrault) who stood up the other night and added his support to the proposition that something should be done for these people.

This same release names several Conservative members who have written to indicate their support for increased pensions for retired civil servants, and these include the hon. member for Saint John-Lancaster (Mr. Bell), the hon. member for Brandon-Souris (Mr. Dinsdale), the hon. member for Calgary Centre (Mr. Harkness), the hon. member for Halifax-East Hants (Mr. McCleave), the hon. member for Fundy Royal (Mr. Fairweather), and the hon. member for Lethbridge (Mr. Gundlock).

The release lists about half the members of the New Democratic party, so I need not put their names down because I can speak for all

of us and say we are all behind this proposition. In recent weeks there have been members from the Créditistes, led by the hon. member for Abitibi (Mr. Laprise), also rising in support of this proposition. Therefore, Mr. Speaker, Claude Edwards, president of the Public Service Alliance of Canada, is in a position to say, as this release does say:

> We are convinced that there is solid support for an increase in public service pensions among members of all parties in the House of Commons and we urge the government to bring forward legislation to increase public service pensions without further delay.

He also points out, as we all know, that there is a tremendous reserve of employee contributions in the superannuation fund. It is a fund that is growing every year and these employees do not see why some of that money, that at least is on the books, cannot be used to give them a touch of the just society.

The last time the Prime Minister (Mr. Trudeau) was drawn into saying more than a sentence or two on this issue was on October 11 when he answered a question put by the hon. member for Abitibi, as recorded at page 1084 of *Hansard*. This is what the Prime Minister said on that occasion:

> It was answered last week, and I myself stated that the matter was under consideration. Indeed, there has been an exchange of correspondence between the representatives of the civil servants and myself; I indicated that we were not in a position to grant those increases now but that we would consider it as soon as possible.

I ask the parliamentary secretary to the Minister of Finance (Mr. Gray), how much longer do these people have to wait? How many more times do they have to be told that the matter is under consideration? The hon. member for Grenville-Carleton (Mr. Blair) must know, Mr. Speaker, that no points of order are allowed on this late show, but if he is standing because he wants me to include his name as in favour of the proposition I will be glad to do so, and if other hon. members want to stand up to include their names I will be glad to put them on the list as well.

To the young, hopeful, parliamentary secretary to the Minister of Finance—he can interpret that "hopeful" any way he wants, and he comes from Windsor where there is keen interest in this matter—I say for heaven's sake let us not have this stalling any more. Let us have action on behalf of these former employees, for whom an increase in their pensions was unanimously recommended by a joint committee of both houses of parliament on May 8, 1967.

[Mr. Knowles (Winnipeg North Centre).]

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I would first like to thank the ever hopeful hon. member for Winnipeg North Centre (Mr. Knowles) for what I take to be kind remarks expressed in my direction. I also want to thank him for confirming that interest in this particular problem is not confined to one particular political party. In fact it is one which engages the concern of members both on the government side and on the opposition sides of the house as well. I think this is important to note, because had I risen first and made this assertion, someone might have said that this is a form of self-serving evidence. But coming from the ever hopeful hon. member for Winnipeg North Centre (Mr. Knowles) this evening it confirms that I can join at this time and on future occasions with others regarding the concern that is felt on all sides of the house about this particular matter.

Mr. Knowles (Winnipeg North Centre): Now do something about it.

Mr. Gray: I know the Minister of Finance (Mr. Benson) would have wanted to be here to comment on this important matter himself. As hon. members know the budget is being presented tomorrow evening and he is involved in putting the finishing touches to his very important budget speech. In reply to the hon. member for Winnipeg North Centre I should like to say that the Minister of Finance on numerous occasions has expressed his sympathy and understanding for the retired civil servants.

Speaking personally I regret I can only say that at the present time this matter is under active consideration by the government. I should point out however that since 1963 Liberal governments have taken important steps to provide further help for the older Canadians, including superannuates. The basic old age pension has been increased to $75 a month. Steps are being taken to make it available at age 65 by 1970. A guaranteed income supplement has been put into effect to provide an amount of up to $30 a month for people on old age security pensions who have no other income. The federal government today guarantees to retired Canadians 65 years of age or over, including superannuates, $107 a month. I think this is important to remember at this time.

I am not suggesting that superannuates do not continue to face financial problems. I am not suggesting that their request for increases and changes in the management of the superannuation fund are not worthy of serious

and active consideration by the government. However, at the present time I can add nothing further—and I say this with some regret—other than, as has already been stated by the Minister of Finance, that this very important matter continues to be under active and serious consideration by this government.

Mr. Deputy Speaker: Order. Pursuant to provisional standing order 39A the motion to adjourn the house is now deemed to have been adopted. Accordingly this house stands adjourned until 2.30 p.m. tomorrow.

Motion agreed to, and the house adjourned at 10.20 p.m.

29180—104½

HOUSE OF COMMONS

Tuesday, October 22, 1968

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:

October 22, 1968

Sir,

I have the honour to inform you that the Right Honourable J. R. Cartwright, P.C., M.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 22nd October 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,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the Governor General

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

TABLING OF REPORT FOR 1967-68

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, by leave of the house I should like to table, in English and in French, the report for the year 1967-68 of the Canadian International Development Agency.

Mr. Speaker: Has the hon. member leave to table this document?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

REQUEST FOR CONSIDERATION OF AUDITOR GENERAL'S REPORTS BY PUBLIC ACCOUNTS COMMITTEE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the President of the Privy Council, Mr. Speaker, in his capacity as government house leader. In view of the fact the last two reports of the Auditor General have not been fully considered by the public accounts committee, and a further report of the Auditor General is expected in January of next year, will the house leader proceed as rapidly as possible with arrangements for the organization of the committee on public accounts and reference to that committee of the reports of the Auditor General which have not been fully considered?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. If the Leader of the Opposition will consult *Votes and Proceedings* he will note that the public accounts committee has been called to meet Thursday next for organizational purposes. I will be glad to facilitate the means of referring business to it right away.

REQUEST FOR PRIORITY FOR FARM CREDIT LEGISLATION

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): My question is directed to the President of the Privy Council. Will he consider making Bill No. C-113 the first order of the business today so that western farmers can get the increased cash advances on farm stored grain at the earliest possible opportunity? This question is urgent because wheat sales—

Mr. Speaker: Order, please. The hon. member has asked a question.

Hon. Donald S. Macdonald (President of the Privy Council): It was our hope that both Bill No. C-113 and the bill with regard to farm credit might have been passed by last night; in fact that was the proposal we made to hon. gentlemen opposite. I feel we should proceed with today's order of business as called and dispose of the Post Office Act as early as possible and dispose of all stages of the farm credit bill as early as possible. Then I am sure the hon. member will be eager to facilitate that procedure as well as the bill to which he referred.

Mr. Gleave: Could we have an assurance that, of all the farm credit bills to come before us, this particular bill will receive priority as soon as possible?

Mr. Macdonald (Rosedale): Well, the farm credit bill will receive priority just as soon as the Post Office Act has been dealt with.

Mr. Ed Schreyer (Selkirk): Will the minister consider giving priority to the cash advances legislation, since it is not controversial?

Mr. Speaker: Order. The hon. member is asking a question which was asked yesterday.

[*Translation*]

REPORT OF EXTERNAL AFFAIRS AND NATIONAL DEFENCE COMMITTEE IN ENGLISH ONLY

On the orders of the day:

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the right hon. Prime Minister, in the hope that he will deal with it.

I have here the English version of fascicule 8, dated October 17, of the proceedings of the committee on external affairs and national defence; however, we have not yet received the report of the first meeting in French.

Could the right hon. Prime Minister take the necessary steps to see to it that translators from English to French be hired on a full-time basis, and not part-time, as is now the case.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I shall be glad to discuss this matter with the minister responsible for translation. As the hon. member knows, the work load is much greater for those who translate from English to French than for those who translate from French to English. That is one of the reasons why there are delays.

[*English*]

EXTERNAL AFFAIRS

APPLICATION OF 12 MILE FISHERIES LIMIT TO ST. PIERRE AND MIQUELON

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the announcement that a major territorial battle is shaping up between Canadian vessels and French trawlers operating out of France's territorial islands of St. Pierre and Miquelon, will the minister indicate what action the government is contemplating to resolve this jurisdictional dispute over fishing limits?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am not aware of any battle that is shaping up, but we have had some discussions with the French authorities about the application of the straight base line theory, and these negotiations are continuing.

Mr. Crouse: Mr. Speaker, I have a supplementary question which I will direct to the Minister of Fisheries. When can we expect the base lines to be drawn from headland to headland, defining our exclusive fishing zones off Nova Scotia and British Columbia, as announced by the minister outside the house in a speech in Boston last Thursday?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, as the hon. member knows, legislation permitting Canada to draw straight base lines was passed in 1964. Some of these straight base lines have been drawn, and I hope that more will be drawn in the near future.

Mr. Frank Howard (Skeena): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs regarding the straight base line question. May I ask the minister whether he would be prepared to appear before the fisheries committee to give a full explanation of the situation with respect to the conversations with other countries concerning these base lines?

Mr. Sharp: Mr. Speaker, I am always happy to appear before committees of the house on any subject where I can be useful. I would not think, however, that I would want to reveal all the confidential talks that I have had with representatives of other countries, any more than I should like them to reveal the talks they have had with us.

Mr. Frank Moores (Bonavista-Trinity-Conception): Mr. Speaker, I have a supplementary question for the Minister of Fisheries. Does the minister intend to implement a scheme of management of Canada's fishing resources over the continental shelf in accordance with his view, expressed recently at Boston, that every maritime nation should undertake such management?

Mr. Speaker: Order. I suggest to the hon. member that what he is now asking the minister to do is make a general statement of policy, which should normally be done by way of a statement on motions.

Mr. John Lundrigan (Gander-Twillingate): A further supplementary question, Mr. Speaker. Will the minister make such a statement to clear up the whole business, so we can have some clarification? Obviously some—

Mr. Speaker: Order. The hon. member is asking a question to which the minister now wants to reply.

Mr. Davis: Mr. Speaker, I mentioned that Canada has passed legislation drawing our fishing zones as those extending 12 miles beyond straight base lines drawn from headland to headland. We are, of course, concerned about the operations of our own fishermen, and out beyond that of other fishermen, but this is obviously venturing into an area of international concern and negotiations with other countries.

Mr. Lundrigan: Mr. Speaker, I did not obtain an answer to my question. I asked the minister whether he would be prepared to make a statement on motions on this matter.

Mr. Davis: Mr. Speaker, I will be glad to at the appropriate time.

AIR CANADA

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that it is now several months since Air Canada has had a president and the Prime Minister has not given any indication that an announcement is to be made in the foreseeable future, would the right hon. gentleman take the house into his confidence and tell us just what is the main problem that is making it impossible for the government to make up its mind in this connection?

Mr. Speaker: Order. I would not think this question as asked is in order.

Mr. Hees: Then may I ask another question, Mr. Speaker. In view of that, would the Prime Minister get in touch with Professor Marshall McLuhan and ask him whether he would include decision-making in the course he is presently giving the cabinet?

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. As a result of the right hon. gentleman's discussion in connection with communications, has it occurred to him that he might more easily communicate with the people of Canada by having himself and his ministers answer questions in this house?

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, to the knowledge of the Secretary of State for External Affairs have any representations been made to the Labour government of Great Britain by the New Democratic party in Canada urging the cessation of arms shipments to Nigeria?

Mr. Speaker: Order.

FINANCE

SUPERVISION OF COMPANIES IN COFOMO GROUP

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs in his capacity as Acting Minister of Finance, according to the list of players and substitute players published yesterday. Can the minister, the Minister of Finance or the Minister of National Revenue, or for that matter any other department, advise whether any companies involved in the COFOMO group, which is in financial difficulties, are now under the supervision of any federal government agency?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if I were the minister of finance today and not the Acting Minister of Finance my answer to that kind of question would be that I shall have to make inquiries.

[*Translation*]

POST OFFICE DEPARTMENT

CONSULTATIONS WITH EMPLOYEES ON PENDING LEGISLATION

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Postmaster General.

Could the minister confirm or deny the report that officials of his department are now holding consultations with regard to the problems raised by the introduction of Bill No. C-116? If so, who is conducting these consultations?

Mr. Speaker: Order. This question should be asked during the debate on the bill now before the house.

[*English*]

EXTERNAL AFFAIRS

CANADIAN ARMS SALES TO COMBATANT COUNTRIES

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I have a question for the

Prime Minister. Following the Prime Minister's statement equating the Nigerian-Biafran war with the Viet Nam war, is it the intention of the government to supply arms to one of the combatants in the Nigerian conflict or, alternatively, to cease the sale of arms to the United States, thus equating the two situations and making more credible our policy in both situations?

Right Hon. P.-E. Trudeau (Prime Minister): Well, Mr. Speaker, I was not necessarily making the equation the hon. member suggests. I was saying that those who refuse to look at history always repeat the same errors. It so happens that yesterday at the United Nations a speaker for Mali was making the same point. He was telling the "imperialist press" and "opportunist philanthropists" of the western countries to stay out of African affairs because, and I quote:

> The African leaders will remember this when we deal with separatist or autonomous movements, Flemish or Walloon conflicts, or 'Free Quebec'.

I suppose he was talking about some other conflicts as well.

Mr. Fairweather: A supplementary question, Mr. Speaker. We are delighted to know about what happened at the United Nations yesterday. Has the Prime Minister's attention been directed to the speeches of the foreign ministers of Tanzania, the Ivory Coast and Zambia urging that some initiative be taken in this regard?

Mr. Trudeau: Yes, Mr. Speaker. The statistics are well known; I have stated them many times. Within the organization for African unity 29 states have told the other countries to stay out of Africa and African affairs; only four were in favour of intervention.

HOUSING

MONTREAL—HEARING OF BRIEFS BY TASK FORCE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I had wanted to direct my question to the Minister of Transport. Since neither the minister nor the Minister without Portfolio is present may I direct my question to the Prime Minister. Why has the task force on housing stopped receiving briefs in a major Canadian city such as Montreal after only one day of hearings?

[Mr. Fairweather.]

Right Hon. P.-E. Trudeau (Prime Minister): If the hon. member will give himself the trouble of looking at the roster he will see that the minister is not due in the house today.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order in relation to the remark just made by the Prime Minister, a remark he has made on a number of occasions. I concede the right of the Prime Minister to draw your attention, Mr. Speaker, to the fact that a fellow minister is not here. I even concede his right to tell us that he has asked a fellow minister not to be here. But I maintain it is not within the rules of the house for the Prime Minister to keep referring to a certain document which he calls a roster as a reason for a minister's not being present.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I have a copy of the document in my hand but if I may parrot legal language I suggest it is not a document of which the Chair should take judicial notice. The Chair has to operate on the basis of the rules, customs and established procedures of this house, and for the Prime Minister to cite a roster as though it were a legal or procedural basis for a minister's absence is contrary to the procedures of this house and contrary to our rights as members of parliament.

I should like Your Honour to take note of citation 7(1) in Beauchesne's fourth edition, which reads as follows:

> Another collective right of the house is to settle its own procedure. This is such an obvious right—it has never been directly disputed—that it is unnecessary to enlarge upon it except to say that the house is not responsible to any external authority for following the rules it lays down for itself, but may depart from them at its own discretion.

I submit that when the Prime Minister lays down a new practice he is doing so as an external authority, and that when he hands us a document, and calls attention to it day after day, describing it as a roster, as though it were an excuse or a reason for ministers not being present, he is usurping the right of the house to settle its own procedure.

There is no way in which we can force the ministers to be here. There are rules about absenteeism, and the press does not like it when members are absent. The same should apply to ministers, but there is no way in

which we can force them to be here. As I say, I cannot deny the right of the Prime Minister to say, day after day, that a particular minister is not here, or to tell us he gave certain ministers permission to be absent, or to say he told them not to be here—and I suspect this is what the roster means. But to cite the roster as though it were a procedural sanction is not in accordance with the rules of the house.

One of the reasons I raise this point of order is that I have been here long enough to know that if any practice is followed long enough the Chair will treat it as though it were valid, and that if this practice continues unchallenged month after month it will become as officially accepted as any standing order or precedent. At the present time it is not provided for in our standing orders, it is not in our rules, it is not referred to in May or Beauchesne or Bourinot. The document referred to is merely a document supplied to hon. members through the courtesy of the President of the Privy Council, and I suggest it should not be accepted by Your Honour as having the force of procedural law.

Some hon. Members: Hear, hear.

Mr. Horner: The rooster is going to defend his roster.

Some hon. Members: Oh, oh.

Mr. Trudeau: If I were from the constituency of Crowfoot I would not have made that remark.

Some hon. Members: Oh, oh.

An hon. Member: Really cheap, that.

Mr. Trudeau: Which is cheaper? I will trade mine for his.

I do not mind ceasing to refer to the roster, Mr. Speaker, if that is your ruling. I would comply with such a ruling with great obedience. I would merely say now that the use of this so-called roster is meant as a convenience to hon. members, and I think it comes out from the point of order which was just made that I do not have to refer to it. I can instruct ministers which days they should be attending to business in the house, and which days they should be attending committees of cabinet. This is the way we will continue to proceed in this government, and if it is necessary not to use the word roster I will not use it. But it does seem to me, Mr. Speaker, that from a member who is always complaining about red tape and formalism this is a pretty thin point to suggest that the rules do not permit us to employ a particular word.

Some hon. Members: Hear, hear.

Mr. Trudeau: I repeat that it is merely for the convenience of the members, and it has been introduced in order to get the government and parliament working more efficiently. We have looked at the statistics of the last year, and I think on only ten of the 145 sitting days did it happen that more ministers were asked questions than the number of ministers who will be sitting in the house under this system. Therefore—

Mr. Lambert (Edmonton West): But that is the option of the house.

Mr. Trudeau: Of course, but we are merely trying to make this parliament and this government as efficient as possible.

Mr. Horner: Oh, oh.

Mr. Trudeau: I wonder who lost his cool that time. It stands to reason that if 28 ministers are sitting in the house, when on the yearly average perhaps only 10 or 12 will be receiving questions each day, then there can be great saving in terms of administration, in terms of the time of the ministers, and in terms of the service of the Canadian people if only 10 or 12 ministers happen to be here to answer questions.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. I suggest to hon. members that there is not much point in going through all the arguments that were submitted at considerable length on a number of occasions during the last few weeks. I will certainly not stand in the way of hon. members who want to express views, but I might say at once that I am in sympathy with the point raised by the hon. member for Winnipeg North Centre (Mr. Knowles). Certainly a reference to a document—and I agree again with the hon. member for Winnipeg North Centre—that has not been officially recognized as far as the Chair and the house are concerned, cannot be considered to effect, in itself, a change in the rules. To that extent I am in full agreement with the point of order raised by the hon. member for Winnipeg North Centre.

Mr. Jack Horner (Crowfoot): On a question of privilege, Mr. Speaker, before the Prime Minister began his explanation of his roster

he made an off-hand remark with regard to the constituency of Crowfoot.

Some hon. Members: Oh, oh.

Mr. Horner: He can make any remarks he likes with regard to the representative of the constituency of Crowfoot but he, and I believe this house, should hold the constituency of Crowfoot in as good esteem as any other constituency represented in this house.

Some hon. Members: Hear, hear.

Mr. Horner: I would ask the Prime Minister to withdraw the remark he made about that very important constituency in this country of ours.

Mr. Speaker: Order. The question of privilege has been noted.

EXTERNAL AID

NIGERIA—DELAY IN USE OF HERCULES AIRCRAFT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. Can he inform the house what is happening today with the Hercules aircraft intended to assist with relief in the Nigeria-Biafra tragedy?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, just before I entered the house I inquired whether there were any developments subsequent to those reported to the house yesterday by the Prime Minister, and I was informed that there have been no further developments. The International Red Cross has not yet been able to secure the necessary approval of the new independent state of Equatorial Guinea or of the Biafran authorities for the use of our aircraft into Biafran-held territory. We hope this will be forthcoming shortly. As to the possible Canadian airlift in Nigerian-held territory, there continues to be difficulty with regard to the federally held forward air fields.

Mr. David MacDonald (Egmont): Mr. Speaker, quite likely the Secretary of State for External Affairs knows this, but yesterday a question was raised by the hon. member for York South concerning the possibility of making the planes available to some of the other relief agencies such as the churches and so on which are operating at Sao Tome. The Prime Minister indicated that this might not be a wise move at this point, but I wonder whether the government is giving consideration to making additional aircraft available for these agencies so that relief materials can get in from Sao Tome to Biafra.

Mr. Sharp: I think it is premature as yet. It is our hope still that the International Red Cross will be able to make the arrangements. It is better, I believe, for all concerned to work with the agency that has been approved by everyone.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, this supplementary question is also for the Secretary of State for External Affairs. In view of the difficulty in obtaining permission in respect of the airlift from Fernando Po, has the minister consulted with the Red Cross concerning the statement made by the foreign minister of Nigeria that there would be no opposition to flights in from Sao Tome by the churches using Canadian planes if the Red Cross would supervise or at least look into the operation.

Mr. Sharp: Yes, Mr. Speaker; I made some inquiries about that statement. So far I have not been able to confirm that such statement is true, but I am still making inquiries.

Mr. Brewin: Would the minister speak to his own parliamentary secretary, who was present when that statement was made to several members of this house.

Mr. MacDonald (Egmont): Perhaps the minister did not clearly hear my question. It was not a matter of dispensing with the services of the Red Cross at this point, but rather whether our government is taking some initiative with regard to making these planes available on the basis outlined by the hon. member for Greenwood to these relief agencies which are carrying on relief efforts nightly into Biafra from Sao Tome.

Mr. Sharp: I still believe it would be desirable to continue with the arrangements we have approved before we take any other action. I am not ruling out the other possibility, but in the meatime I believe we should work with the International Red Cross so long as they have arrangements which are satisfactory to the federal military government.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, will the minister kindly advise

us whether the other aircraft which have been flying into Biafra regularly for weeks have been involved in all these legal niceties that the minister keeps throwing up from time to time?

Mr. Sharp: Well, if I may speak on that, one of the legal niceties with which they did not have to contend is the fact that we have a new republic. Equatorial Guinea, whose permission we now must obtain.

Mr. Lewis: May I ask the Secretary of State for External Affairs whether he can give us any indication as to how long these negotiations with Equatorial Guinea and Biafra, as well as other matters, are likely to take.

Mr. Sharp: No, I cannot say. All I know is that we are putting pressure on the authorities to get this airlift approved.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, am I to understand from the answer of the Secretary of State for External Affairs that the government of Canada is today taking the position that it is making representations to the governments of these countries, whereas yesterday the Prime Minister stated that the policy of the government was not to make such representations directly?

Mr. Sharp: No, Mr. Speaker. I think the Leader of the Opposition missed the significance of my previous reply. One of the obligations we have which has not been encountered by anyone else arises out of the establishment of the new state of Equatorial Guinea in which Fernando Po is involved. In order to have our planes land we must have their permission. This is one of the factors. For the rest, we are putting pressure on the International Red Cross.

Mr. MacDonald (Egmont): Mr. Speaker, I wonder whether I might raise with the Secretary of State for External Affairs a question similar to one I raised with the Prime Minister yesterday. In view of the continuing difficulty in obtaining this approval, and in view of the great anxiety on the part of many people of this country to see some action taken with regard to the relief efforts, I wonder whether a deadline could be set for the International Red Cross with regard to its efforts in order that this matter may be facilitated at the earliest possible date.

Mr. Sharp: I agree with the statement made yesterday by the Prime Minister. I do not think this would be helpful. It would constitute an ultimatum, which is not what we want. We want to get action.

Mr. Lewis: I have a further supplementary, Mr. Speaker. Could the minister indicate to the house, from the reports the Red Cross has given him, whether he has any idea what the difficulties are so far as Equatorial Guinea is concerned? What is the holdup there in respect of obtaining their consent?

Mr. Sharp: Our understanding is that we cannot find the officials who would give us the permission.

Mr. Lewis: They are not on the roster.

Mr. Stanfield: I understood the Secretary of State for External Affairs to say that representations were being made to Equatorial Guinea. Would the minister be good enough to explain to the house the reason that representations can properly be made to Equatorial Guinea but cannot be properly made to the state of Nigeria, for example, with regard to assisting the Red Cross?

Mr. Sharp: I think the Leader of the Opposition has forgotten that we did get the agreement of the government of Nigeria.

Mr. Stanfield: Am I to understand that the policy announced by the Secretary of State for External Affairs is that the government of Canada has made representations directly to the government of Nigeria, whereas yesterday I understood the Prime Minister to say that it would not be possible for the government of Canada to make such representations to the state of Nigeria?

Mr. Speaker: Order. I wonder whether this is not an argument rather than a question.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO AGENDA FOR CONFERENCE

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the right hon. Prime Minister. It concerns Canadian affairs.

The Prime Minister recently announced that the next federal-provincial conference will be held about the middle of December. Can he tell me whether the agenda of the

conference has been drawn up after consultation with the parties concerned? I should also like to know whether he will propose a new formula for the repatriation of the constitution with which all provinces might agree?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the agenda of that conference to be held from December 16 to 18 is being drawn up by officials who have already met four times to prepare an agenda acceptable to all the governments. But I can say to the hon. member that this agenda is based on the decisions taken at the conference held in February and that we will deal with the matters considered at that conference.

Mr. Asselin: Mr. Speaker, I would like to ask the Prime Minister a supplementary question.

Could he tell us if the government intends to propose to the provinces a new repatriation formula for the constitution?

Mr. Trudeau: Not at this conference, Mr. Speaker.

NORTHERN AFFAIRS

REPORTED MIGRATION OF ESKIMOS IN ARCTIC ISLANDS

On the orders of the day:

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to address a question to the Minister of Indian Affairs and Northern Development.

Could the minister tell us whether an inquiry is being conducted in order to determine the reasons of an Eskimo migration which is taking place from Sugluk to the islands of the eastern Arctic. Furthermore, if this migration continues, will the government take steps to help those Eskimo families?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very glad to hear that the Eskimos concerned have been traced and have safely reached the place they were heading for.

To our knowledge the main reason for their migration is that they depend on hunting and fishing to live and they have deemed it advisable to move to another district so as to find new means of subsistence, according to their traditional habits. However, we are investigating the matter in order to see if there could be other reasons for their departure.

[*English*]

SHIPBUILDING

REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, a short time ago in the house I asked the Minister of Defence Production what action the government intended taking with regard to the matter of shipbuilding in Canada, at which time Your Honour suggested that the minister might like to make a statement on motions. Following Your Honour's excellent suggestion I should like to ask the minister whether, following the meeting with the shipbuilding association of Canada, he would like to make a statement on motions on this important matter during his next appearance in the house.

Hon. Donald C. Jamieson (Minister of Defence Production): Yes, although I do not know whether I would be the appropriate minister. The minister who is organizing the conference at present is the Minister of Transport. However, I am sure this could be arranged.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, does the Minister of National Defence have any plans to divert ships coming under his authority to the St. John's dockyard to provide badly needed employment for men in that area? On a point of order, Mr. Speaker.

Mr. Speaker: Would the hon. member state his point of order?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I think it is a well known fact that the Minister of National Defence is not the one who actually calls for tenders in respect of shipbuilding. I suggest it is the Minister of Defence Production.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, on this question of shipbuilding, since I will probably not be able to get Your Honour's attention tomorrow I should like to give notice of this question to the third acting minister of transport. Will the government indicate what it is doing about this shipbuilding industry and the marine policy that was announced during the last election campaign? Perhaps the minister will make a reply tomorrow when all the ministers are supposed to be here.

POST OFFICE DEPARTMENT

STEPS TO CONTROL CIRCULATION OF OBSCENE LITERATURE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to ask the Postmaster General whether he has anything further to report to the house regarding his efforts to control the circulation of obscene literature through the mails.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, as of six o'clock last night the department had intercepted 126 letters ordering this filth from Denmark. I am surprised that so many Canadians are interested in it. We are returning each of the 126 letters with a polite note from the department indicating that the mails cannot be used for such a purpose.

FISHERIES

INQUIRY AS TO DEFICIENCY PAYMENTS

On the orders of the day:

Mr. Frank Moores (Bonavista-Trinity-Conception): Mr. Speaker, I have a question for the Minister of Fisheries. Last Wednesday the minister advised this house that deficiency payments to the east coast fishing industry would terminate at the end of October. Is it correct that without forewarning the east coast industry was informed on Friday that this important scheme had terminated at the end of September?

Hon. Jack Davis (Minister of Fisheries): That is true, and the cause is to be found in the remarkable increase in the production of fish on the east coast. I have just been informed that the overall fish production is up more than 20 per cent this year.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, has the minister any plan to help the Canadian commercial fisheries make a profit for the Canadian community as a whole, or does he now consider this to be a burden on the Canadian community in light of a speech he made in Boston I believe on Friday?

Mr. Speaker: Order. I suggest to the hon. member that the question as asked is much too general in nature. Perhaps it could be placed on the order paper.

Mr. Carter: On a point of order, Mr. Speaker, this is a very important matter to the fisheries of Newfoundland. A great deal of concern has been expressed by fishermen in that area over a speech made by the minister in Boston on Friday.

Mr. Speaker: I recognize the point of order raised by the hon. member but, as he knows, there is a standing order which provides for a discussion of matters which in the opinion of members ought to be discussed the same day. The hon. member does have an opportunity to discuss this matter later on today.

Mr. Carter: I should like to debate the matter at ten o'clock.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, there are several hundred thousand people in the Atlantic region who are dependent on fisheries, and in Newfoundland there are 25,000 people who are in dire straits.

Mr. Speaker: The hon. member has stated his point of order. The hon. member should first resume his seat. I should remind the hon. member that, if hon. members do not accept a ruling from the Chair that a question is not urgent and feel that the matter ought to be discussed, the hon. member has an opportunity to discuss the question the very same day during the adjournment proceedings. This was the only suggestion that was made to the hon. member for St. John's West, and he has accepted that suggestion.

Mr. Lundrigan: May I just say on the point of order that one of the reasons for the obvious antagonism which exists, and which has perhaps resulted in an element of uncertainty, is that we are not able to get satisfactory answers to our questions. There has been a controversy created outside this house as to certain policies in relation to fisheries.

Mr. Speaker: Order, please. This, of course, is a point of debate and I fail to see how it can be raised as a point of order.

INQUIRY AS TO ESTABLISHMENT OF FRESH WATER FISH MARKETING BOARD

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, in view of the fact we were told some months ago that the government of Canada would try to conclude negotiations with the provinces to establish a fresh water fish marketing board by mid-October, will the Minister of Fisheries indicate whether an agreement has been reached on this matter with the governments of the three prairie provinces?

Inquiries of the Ministry

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, discussions have been held between representatives of the prairie provinces and the Minister of Industry, Trade and Commerce. I gather there is one more meeting scheduled. Legislation to establish this marketing board has already been announced in the throne speech.

FINANCE

JOINT COST PROGRAMS—REQUEST FOR TABLING OF CORRESPONDENCE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the President of the Treasury Board relating to the tabling of communications received from the province of Ontario on the financial estimates of the cost of joint programs.

In view of the fact that the minister has referred to letters of February 5, February 27 and June 20 is he now prepared to table those letters and put the correspondence before us, so we may become familiar with this correspondence for discussion during budget debate?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, with the consent of the government of Ontario I would be delighted to table all the official correspondence. I do not think the Leader of the Opposition would wish to initiate the practice of publishing any informal correspondence which clearly was intended to remain unpublished. In respect of official correspondence and with the consent of the government of Ontario they may be tabled.

Mr. Stanfield: In view of the fact the minister has been asked to seek the approval of the province of Ontario and has referred to the contents of these letters, would it not be appropriate to have them tabled?

Mr. Drury: I am not sure whether the question is addressed to me rhetorically or to you, Your Honour, but I do not think the Leader of the Opposition would wish to initiate a practice of publishing or tabling in the house correspondence of an informal character which has taken place between officials at different levels of government.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, does the minister suggest that letters between officials and that is a very wide and encompassing term— from the deputy minister down should not be tabled in this house?

[Mr. Schreyer.]

Mr. Drury: Mr. Speaker, perhaps I should have made it more clear to the hon. member. I did not say no letters should be tabled. I did say that informal letters between officials at various levels of government not intended to be published should not be subsequently published. I suggest this would quite seriously inhibit the full and free exchange of information which we are seeking.

Mr. Lambert (Edmonton West): Mr. Speaker, since the minister has referred to informal letters between government officials will he kindly advise the house how a determination is made as to what is an informal letter not to be published?

Mr. Speaker: Order, please. I think before we call orders of the day we might allow the hon. member for Marquette to ask a question.

Mr. Stanfield: Mr. Speaker, I do not wish to argue the point, but I want to be sure I am not understood as accepting the point expressed by the President of the Treasury Board. I want to take this opportunity to say I disagree with the position he has taken, and will seek an appropriate opportunity to discuss the matter.

CANADA ELECTIONS ACT

CONSIDERATION OF RECOMMENDATIONS OF FORMER CHIEF ELECTORAL OFFICER

On the orders of the day:

Mr. Craig Stewart (Marquette): Mr. Speaker, I should like to direct my question to the President of the Privy Council. It relates to a question asked in the house on September 18, in reply to which the minister said the government was giving consideration to some means of enabling members to deal with the recommendations of the former chief electoral officer. Will the minister indicate what decision has been reached in this respect?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. Hon. members will have noticed last Friday reference of the subject matter of a bill dealing with the elections act to the committee on privileges and elections. The hon. member will also be aware that this committee will be holding its organizational meeting on Thursday next. It is the government's intention, subject to the business of the committees generally, to call together the committee on privileges and elections for the purpose of examining these various and different questions regarding the election system.

• (3:20 p.m.)

POST OFFICE ACT

AMENDMENTS AFFECTING RATES, ADMINISTRATION, SAVINGS BANK

The house resumed, from Monday, October 21, consideration of the motion of Mr. Kierans for the second reading of Bill No. C-116, to amend the Post Office Act, and the amendment (p. 1623) thereto of Mr. Macquarrie.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, when the house adjourned last evening, I think that I had clearly shown the support given by Liberal members to the Canadian dailies which are complaining about Bill No. C-116 as brought before the house by the Postmaster General (Mr. Kierans).

Mr. Speaker, I would like today to dwell on two points. In the first place, as for the conditions made to our newspapers, our periodicals, I feel that the American periodicals will take advantage of lower mail rates than those now suggested for our Canadian periodicals. In my opinion, this is a flagrant case of injustice, for our periodicals, whether they are dailies, weeklies or monthlies. The other point which I must draw to the minister's attention is the conditions made to our weeklies. Our small regional newspapers will certainly suffer from such provisions as introduced in Bill No. C-116.

Mr. Speaker, we have all received telegrams from managers of English and French publications. I have here a telegram from the Quebec *Chronicle Telegraph* signed by Mr. Moonigan which states:

[*English*]

As Canada's oldest surviving newspaper we resent government contention it is subsidizing newspapers. If government proceeds to raise second class mail rates to penalize newspapers, it must also forthwith stop subsidizing C.B.C., C.N.R. and other corporations run on public moneys. We urge reappraisal of government position. Post Office bill direct blow to our existence. It will mean abandoning 30 per cent of our subscribers. Is this just society promised by Prime Minister Trudeau?

[*Translation*]

Mr. Speaker, we spoke of this "just society promised by Prime Minister Trudeau" before the elections, and the Quebec *Chronicle Telegraph* "realizes it after the election".

Here, for example, is a telegram from the general manager and editor of the newspaper *Le Soleil* and I quote:

18 owners and senior staff members of the Quebec dailies met with the minister and Post Office officials Thursday stop Several ministers also seen stop Sending copy of brief to your Ottawa office Monday stop Refer you to our Thursday editorial and report page 3 stop Bill means end of subscriptions and delivery of dailies in rural areas stop Representations also made that subsidies not given to publications but to consumers stop If government policy is to eliminate subsidies it should also apply to state radio and television and others. Gabriel Gilbert, editor and general manager.

I could also quote telegrams from Mr. Blais, of *L'Action* of Quebec City, and from Mr. André Bureau, of *Les Quotidiens du Québec Inc.*

Mr. Speaker, the daily newspapers will not necessarily lose subscribers. Why? Because they do not have to increase their subscription rate. Everybody understands that, and they do too. What matters to them are the advertisements in newspapers, and if we look at the facts as they are, we see that the owners of daily newspapers tell us that they will not be able to provide information to the rural districts in Quebec.

Mr. Speaker, it is the daily newspapers like *Le Soleil* of Quebec City, *La Presse* of Montreal, *Montréal-Matin*—an unimportant and trivial newspaper of Montreal—and other similar papers which, not only, during election campaigns, but at all times, support the system in which we live. Today, the minister is asking them to pay their share, to pay for the operation of their system, and they are against it. But when the time has come to dot the i's, they are not around. Today we feel sorry for the small people, whereas in fact the law will still allow the big to eat the small.

The little weeklies will have to foot the bill, will lose subscribers, will lose ground in the field of national advertising, because their circulation will not be large enough.

The big newspapers will increase their advertising rates, because they sell advertisements according to their circulation. They will probably keep the subscription rates as they are now but they will increase the advertising rates. The big dailies will stay alive and we will continue to see in Montreal's *La Presse* full-page advertisements by Simpson's, Eaton's and Morgan's.

Mr. Speaker, a big newspaper like *Le Soleil* or any other of its kind, will not have to increase its subscription rates. At this time, I would not forgive myself—and it would not be fair for me not to say so—if I failed to mention that, for several years now, *Le Soleil* of all the Quebec dailies, has probably been the most unbiased towards Social Credit, the Ralliement Créditiste. As to the Quebec

Chronicle Telegraph, we have had no publicity from it. Let us take the Montreal *Gazette* for instance. What do we get from it? We speak every day in this house, and we never see the shadow of a line in this newspaper. The Montreal newspaper *La Presse* gives us zero multiplied by a million, which equals a million of nothing zero. This is what we get from the Montreal *La Presse*.

These are the people who want to supply information? What information do they supply? What facts does the Montreal *La Presse* report on the eastern townships, the area in the vicinity of Montreal and Montreal itself? They report what they feel like reporting.

The parliamentary correspondents are not responsible for that, they only write the articles. The Canadian press gives the news, but the potentates of Canadian journalism decide what is to be published and what is to be omitted in the newspapers. They overlook Social Credit, and systematically: yet, they have the nerve to ask us to fight for their interests when they are up against a problem of their own doing.

• (3:30 p.m.)

The minister tells them there may be increases, and they feel their rights are being encroached upon. They feel that democracy is being threatened because they are asked to pay their share. But I say this to them: You have been fighting for 30, 40 or 50 years to keep a majority government in power. During the election campaign, we heard: Elect a majority government, that Canada may progress. We have a majority government and look how the newspapers are treated today by this majority government. If we had a minority government and if we held the balance of power which we requested, this bill would not be before the house today.

When the former Postmaster General (Mr. Côté) introduced in the house a bill raising postal rates, the bill was defeated and the rate of delivery for letters and mail was not increased. Even though the government was defeated the mail service was not stopped. No. How did we continue to provide it?

Today, however, the hon. minister says: If there is no increase, we will not be able to continue providing mail service to the Canadian people. This is nonsense, a lie, and the minister knows that it is possible to find money elsewhere than in the pockets of the Canadian people to continue to improve the Canadian postal service.

[Mr. Caouette.]

Mr. Speaker, personally, I have nothing against newspapers. No. All I ask them is to be objective, honest, unprejudiced, and truthful. It is simple. We do not ask them to flatter us, the Ralliement Créditiste. Let them only be fair to us and let them stop blowing bubbles for the government, as they started to do before the election.

And let newspapers say: Is this the just society promised by the Prime Minister? Mr. Speaker, we will hear all about it tonight. Yes, tonight. We will hear the budget being read, and we will have a foretaste of the just society, and tomorrow morning that will be published in the newspapers.

Canadian newspapers, *Le Soleil*, *La Presse* and all the others will say that, due to unusual circumstances and a monetary deficit, the government is forced to raise taxes. The Postmaster General gave the same reason when introducing Bill No. C-116.

Mr. Speaker, we already know the answer. As for the honorable minister, he knows how to solve the problem. He told us yesterday that there was only one solution to the problem: raise taxes and get the money from the taxpayer's pockets. However, the honorable minister knows that the majority of the people in his riding cannot afford to pay more taxes than they do now. In order to be elected, the minister never said that he would increase the postal rates. He would never say so before the election, only after, here, in the house. Those people say one thing at election time and another thing after. And we legislate and administer in such a way as to conceal the facts from the Canadian people.

Mr. Speaker, we shall not endorse the bill. Certainly not. Not because we have any affection for those newspapers, but because we want to safeguard democracy in Canada and prevent the small from being swallowed up by the big.

We also take the defence of weeklies which will bear the consequences of this legislation since, as I was saying, they do not get national advertising as easily as the dailies I mentioned earlier, namely *Le Soleil*, *La Presse*, *The Montreal Star*, *The Gazette*, *The Toronto Star*, *The Globe and Mail*, *The Vancouver Sun* or *Le Patriote* du Manitoba.

Mr. Speaker, we will support the amendment of the Conservative party asking that the bill be referred to a committee for further consideration, but not because we are very infatuated with the Conservatives. Absolutely not. We know that if the Conservatives were sitting opposite, they would not do better but

exactly the same as the Postmaster General. Both parties are similar. Put them in the same bag, shake it and the first one to come out will be exactly the same as the other one.

Some hon. Members: Hear, hear.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in my few remarks today I want to speak directly to the amendment before the house, submitted by the members of the official opposition, to the effect that this bill be not now read a second time but that the subject matter be referred to a standing committee for further consideration. What has transpired in the deliberations of the house today has reinforced my thinking in this regard. I had hoped to speak last night but we got into a new aspect of the debate. Actually, however, I am very pleased that I am speaking now following the earlier events today. The house leader in response to a plea that this debate be set aside in favour of a matter that I as a member from western Canada regard as being of much greater priority, namely, the agricultural emergency, confirmed my viewpoint that the government from the Prime Minister (Mr. Trudeau) down is out of touch with the priority needs of this nation.

If we were to follow the good precedents that have been established in this house during recent years there is no reason at all why we could not deal with this complex matter in committee. Everybody recognizes that the amendments to the Post Office Act, as they have been brought forward by the minister, involve a complex subject which could be detoured temporarily into the responsible committee to make way for the farm legislation, which has been pending ever since this house opened. We could deal expeditiously and much more intelligently with the subject matter of the post office bill in a committee and in the meantime get on with a subject of greater priority. Then, the post office bill could come back to the house and I am sure the debate would proceed much more expeditiously. Instead, the member of the government charged with the responsibility for guiding the day to day business of the house, the house leader, has used the old threat that we have seen used far too frequently under Liberal administrations. He has said: "You will get the farm legislation as soon as you have dealt with the post office legislation." Mr. Speaker, this is a complete misunderstanding and abuse of the whole matter of priorities, and my intention to devote my remarks entirely to the amendment before the house has been reconfirmed by what has already transpired here today.

The minister made a comprehensive statement yesterday which indicated that as the member of the cabinet responsible for the administration of the Post Office Department he had approached the subject from a very narrow perspective. As I listened to his remarks he sounded more like a voice from the board room rather than vox populi. I was not in the house when the initial debate on the resolution took place; I was away at the United Nations at the time. As I reviewed the debate, however, it seemed to me that the same emphasis was given to the matter by the minister at that time; it was an urban-oriented approach. Now the minister has partially backed down and has conceded that there are special communications problems in the more outlying areas of the country, particularly in the rural areas. But he still has not come to grips with what I and the members associated with me in this party regard as the fundamental issue, that is, the purpose and the functions of such an important service as the post office.

• (3:40 p.m.)

It is obvious from press statements and from what the minister himself has said that there has been unhappiness within the Liberal caucus. The hon. member for Hillsborough (Mr. Macquarrie) indicated in his excellent speech yesterday that the committee of 35 was formed to approach the minister on this important matter. It is obvious that the minister is amenable to suggestions because he responded to some of the requests of that committee. How much more important it is that this matter be taken into a much larger committee arena than the committee of 35 and referred to a committee drawn from all parties in the house so its members might put the Postmaster General in touch with the viewpoint held in various parts of the country and draw him away from his urban-oriented viewpoint and what I feel is his complete misunderstanding of the important fuction of the Post Office Department as a communications system in this nation. How much more effective it would be if a committee were brought into operation for this purpose.

Over the past ten years, because of the growing complexity of national affairs we have been gradually resorting to a greater, more effective and efficient use of the committee system of the House of Commons. The

experts tell us that this is an essential and inevitable trend, and we have been moving gradually toward this desired objective. I would have thought that this government, which during the recent election campaign prattled incessantly about the necessity for greater participation and involvement in the affairs of the nation, would have been the first to support this theme. But what did we hear yesterday? We heard the government house leader resort to some of the most outmoded precedents in defending the government's stubborn refusal to take the logical step in dealing with this legislation, namely, referral to a committee.

One of the first breakthroughs in broader and more effective use of the committee system was ten years ago when the members of the veterans affairs committee, in a long series of discussions and deliberations, undertook a comprehensive review of the veterans charter, as a result of which many necessary amendments were made. More recently we have followed the same practice in transportation matters during the reorganization of this fundamental communications system. I am sure that any of those still members of the house who had the privilege of taking part in that interesting dialogue will agree that the resulting transportation act has been a much more effective document than it would have been had it not been referred to a committee before receiving second reading in the house.

I could mention other similar developments that have taken place. Suffice it to say that I am sure it is a disappointment to members on both sides of the house and particularly to the people of Canada, following the pious pronouncements of the members of the Liberal party during the recent election campaign about greater involvement of parliament and the people in participatory democracy, that the spokesman for the government yesterday took a completely reactionary approach.

The Postmaster General indicated when he spoke yesterday that he regards the postal service as an industry. I think I am quoting him correctly when I say that he used words to the effect that the Post Office Department is not an institution but a function. That, too Mr. Speaker, sounds like a voice from the board room and not vox populi. Anyone who understands the principles of responsible parliamentary democracy will acknowledge that communications are basic to nationhood, that they are part and parcel of national policy. I am sure we will all agree that in a diverse country such as Canada national policy is of the utmost importance, particularly in the communications field. We have long recognized in many communications areas that any function of this kind, to use the Postmaster General's term, must be a part of national policy.

I suppose, that in democratic nations post office services were the first to come under a public utility operation because of the importance of communications in holding nations together. We subsidize the Canadian Broadcasting Corporation's electronic communication to a substantial extent. We subsidize our railroad system. In some years we have subsidized Air Canada. We subsidize the operations of the Canada Council. In fact, the grant to the Canada Council is being increased this year over last year. We do all this in the interest of broader communication and understanding, in the interest of development toward nationhood in Canada.

The minister has missed the point as a result of his own personal background. The Postmaster General comes from an environment of many newspapers, with several radio and television stations within easy reach, a teletype service and a private messenger and delivery service. Therefore I believe that his viewpoint has been distorted and he has completely lost contact with the special needs of the rural community.

While the minister has made the gesture of restoring six day service to rural areas, I think this will only confuse the issue. In some constituencies like my own which are half urban, half rural it means that the Post Office Department will still have to function six days a week in order to serve the surrounding rural area, whereas the urban community apparently will be without the six day service. I do not know how this will be arranged in terms of administrative efficiency. Some of the post office workers will have to be on the job to serve the surrounding rural neighbourhood. Notwithstanding this, in the city of Brandon I presume the people will be deprived of six day service.

Another aspect of the government's approach to the matter which amazes me and confuses the public of Canada is that this action flies in the face of another of the Liberal party campaign slogans—the necessity for redressing the balance of regional disparity in Canada. We must remember that Canada is a nation from sea to sea and that all parts must be treated equally in terms of services and facilities. Here we have a complete inconsistency in government policy. I might just go through one or two of these items, Mr. Speaker, to point out what should

be abundantly clear and obvious. There are so many inconsistencies in the legislation that has been brought before us that we must, if we are to have any sort of policy that makes sense or any amendments that make sense, refer this matter to a committee so that we may have the necessary dialogue between those of the body public who have been raising the issues and members of parliament who have the responsibility to bring about legislation that is in the best interests of Canada as a whole.

• (3:50 p.m.)

The main point the Postmaster General made in his presentation yesterday in defence of the amendments was that since there has been such a long delay in making amendments to the act increases in rates are necessary. But associated with that basic point was what the hon. member for Hillsborough termed a double whammy. We are to have an increase in rates and a decrease in services. No wonder the Canadian public has become confused.

No one will deny that there must be some increase in rates, if only to meet the problems caused by the rising cost of living in this country. It was mentioned, for instance, that there has been no change in second class mail rates since 1951 and no change in first class mail rates since 1954. In the interval the cost of living in this country has increased substantially and we are today feeling the continuing effects of what is sometimes called liberal inflation. I am sure this will be demonstrated when the budget comes down tonight because since 1963 we have experienced an inflationary trend that, without exaggeration, may be described as runaway inflation. The cost of everything has gone up. All the staples of life, bread, butter, milk, transportation rates and so on, have become more expensive.

In this house recently we have been preoccupied with the matter of increasing interest rates generally, which would add to the cost of living. So strong did the outcries and protests by Canadian consumers become that the government established a special department to deal with those protests, the Department of Consumer and Corporate Affairs. The establishment of that department will add to the increasing costs of government, one of the main contributors to the rising cost of living. This all relates to the general problem of fiscal mismanagement over recent years.

While we admit that there is a necessity for increased postal rates, the arbitrary manner in which the problem has been approached by the minister is not, I think, in the best interests of participatory democracy. The original bill brought before the house in the last parliament dealt with an increase in rates without all the other drastic changes which have been introduced. Without labouring the matter I think it is crystal clear to the people of Canada and, surely, to all members of the house and to the minister that we shall obtain a much more effective reorganization of the department if hon. members have a chance to look at the matter in depth in committee.

It was mentioned that the post office savings bank is to be discontinued. This is an obvious change. I do not think that the Canadian public, following the announcement in the budget tonight of increased taxes which must inevitably come, will have much in the way of savings to put in that bank.

Finally, to sum up the case I have been making in support of the amendment let me say that what the government is doing and the way it is doing it is a reversal in government policy that indicates schizophrenia in the cabinet and is bound to cause confusion in the country. It is like facing both ways at once. It might even be described as paranoia because there are delusions of grandeur associated with it. We were told that the government was going to usher in a just society. On the one hand it subsidizes, to the astronominal tune of some $150 million, the electronic media of communication. I will not spend much time on that point because the C.B.C. was inaugurated by a Conservative government in the 1930's to bring about improved means of communication in this nation. Yet there comes a time when we must pause to consider whether the electronic mass media and the printed word are in balance in bringing about improved efficiency in communication.

The government obviously has decided that the mass media should receive the support of government subsidies at the expense of the printed word. In this there are overtones of authoritarianism since, compared with the effectiveness of the printed word, there is an emotional content in the mass media message. Authoritarian régimes, those that move forward in public policy with a minimum of contract with the public or responsibility to it, do so by an emphasized use of radio and television as propaganda media. As I say, there are serious overtones here that ought to be considered in a committee discussion.

I believe that the printed word is still the main medium of communication in this country. Newspapers and other responsible sources of information in the nation claim that under the terms of the bill as it stands now many newspapers cannot survive. We have seen how in recent years independently owned newspapers have gone out of business one by one until, in order to survive, the newspaper industry in Canada has come under the control of large syndicates. I am sure that the drastic and sudden increase in rates, coupled with the attempt of the government to do in one, fell stroke what it has neglected to do in recent years to adjust costs of post office operations, will have a further deleterious effect on the survival of some independent newspapers in Canada.

The other day I asked the Secretary of State (Mr. Pelletier) if he plans to move against monopolies in mass media electronic communication. He indicated that this was the government's intention and that an announcement would be forthcoming in due course. Yet the government is introducing a policy that is bound to bring about a further monopolistic situation in the newspaper industry. Some newspapers which are economically marginal in their operations have candidly admitted that they cannot survive in the face of this drastic and sudden increase in costs.

To ensure the survival of parliamentary democracy in Canada I appeal to the minister to follow the precedents which have been established in recent years for intelligent discussion and to have this matter referred to a parliamentary committee before second reading. This parliament has been in session for about a month and I have listened already to many instant experts on parliament who decry any waste of time. They have been here for about a month and they say that any discussion in this house is a waste of time. The impression they leave is that it would be much better to allow the cabinet to decide because the cabinet knows best.

• (4:00 p.m.)

We are facing a generation of instant experts. I think the best definition of an expert I have come across in recent times goes something like this: "X", an unknown quantity, and "spurt", a drip under pressure. One cannot appraise the value of the institution of parliament by an exposure of one or two weeks to this high court of public opinion. This is the place where we endeavor to achieve consensus by discussion. This is the last hope of redress of wrongs, of justice for the citizens of Canada. We have no ombudsman, and if we are ever to bring about a just society it can only be done by recognizing the vital principle of parliamentary democracy—executive responsibility of the elected representatives.

A few minutes ago we heard in this house an exchange between the first minister of the crown and the hon. member for Winnipeg North Centre (Mr. Knowles) who is a recognized expert—and I use the word "expert" in the best sense of the term—on the principles and practices of our parliamentary system. I was distressed to hear the Prime Minister, who after all is only a peer among equals in our parliamentary system, indicate that he is practising a system of selective attendance for members of the cabinet because he believes they could use their time much better in the offices of the bureaucrats than listening to the representations made in this house by the representatives of the people. This is the sort of trend we must avoid in this parliament. In the last month the trend has increased to an alarming extent and I hope that the Postmaster General, who has had experience in legislatures in other parts of Canada, will accept the recommendation broadly supported by members of the opposition and, I am sure, supported by his own friends, particularly the committee of 35, that this matter be referred to a committee.

It is true enough that the parliament of Canada has more and more business to get through in this complex age. But this still does not lessen the importance of parliament as the ultimate sounding board for all government policy. When the first minister says he has decided that his cabinet colleagues can more effectively discharge their responsibilities by hobnobbing with the bureaucrats rather than with elected representatives, it is time to review our values and the emphasis we place on priorities.

Ministers are also members of parliament. Under our regulations, if they do not attend the house I suppose they will lose their per diem allowances in due course, as would the rest of us in the case of non-attendance. We are all aware that because of the growing complexity of business in the past few years power is moving from this place to the offices of the bureaucrats.

Let me repeat, in conclusion, that if we are to make this parliament effective, if we are to

slow down or reverse the drift to an all-powerful cabinet and the shift to authoritarianism, we must use our system of parliamentary committees more effectively. I plead with the Postmaster General to accept the recommendation of the opposition, put forward responsibly, in order that we may go on with other matters of greater priority which, as the government house leader has indicated, are being held up until we finish our discussion of the post office legislation. We can do what I suggest without even voting on the amendment if the Postmaster General will only give the word.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, naturally there has been much talk about Bill No. C-116. The honourable minister has covered the subject quite well, and I would not be surprised if he should himself propose some amendments during consideration of the legislation. I listened to quite a number of objections from some opposition members and I fail to understand their reasoning when they blame the government for showing a $400 million budget deficit and then for taking measures in order to offset that deficit.

An increase in the cost of government services is not, of course, a pleasant prospect and nobody likes it. I do not think that the minister was happy to introduce those measures, because I know that he has enough experience and intelligence to realize that a proposed increase in the price of government services is never popular.

I also think, Mr. Speaker, that we live in times when the vast majority of Canadian citizens realize that empty promises are totally irresponsible and that someone has to pay for every service. There may be two schools of thought on the subject, that is to say some services must be paid for by the community, while others have to be paid for by the people who use them. The minister and his advisers—a good many of us agree—believe that, with regard to postal services, the first people who should absorb this portion of the deficit which should disappear, must be those who benefit from these services.

Other measures will probably stem from this one, but I still believe that it is a sound theory by which the users of a service pay for its cost. Beside, the rates have not been increased for a long time and we wonder, for instance, if the cost of 6 cents for a letter today is not equivalent to its cost of 2 or 3 cents, 10 or 15 years ago. Everyone knows that nowadays money does not have the same value.

Members on the opposition side have advanced all kinds of arguments that I shall not try to refute, because I would have to hold the floor too long. But evidently, the minister and ourselves were expecting that newspapers would protest, as would anyone who is called upon to pay more taxes.

• (4:10 p.m.)

Indeed it hurts us, as well as our friends opposite, when we see our income tax going up. Of course, we do not protest, because that would be unbecoming of members of parliament. The members of the Ralliement Créditiste only can afford to do so; they protested against the increase of rates on mail forwarded by members. They are the only ones who did, as far as I know; I heard nothing from the official opposition nor from the New Democratic party.

But it is a fact, Mr. Speaker, that all such things hurt. I do not say they are not right because they hurt; there comes a time when, whatever the party in office, the government has to face such a situation.

Everyone who reads the newspapers knows that there is now all over the world a sort of monetary crisis, which is even worse in other countries. I have here—I am sure my colleagues have it also—the latest report of the governor of the Bank of Canada, Mr. Louis Rasminsky; it explains how the government succeeded in avoiding a severe financial crisis. While other countries were forced to devaluate their currency, Canada was able to restore confidence among investors here, and maintain a reasonable prosperity and prevent an increase in unemployment. According to what the governor of the Bank of Canada says in the report, Mr. Speaker, it was imperative for the government to take all possible means to balance its budget.

As everyone else I skimmed through the report of *Les Quotidiens du Québec Inc.*—Quebec dailies—and indeed, what they had to say was predictable. Nevertheless, Mr. Speaker, I would like to have the chance of proving that some of those assertions are exaggerated, that some figures are not realistic.

Besides, members of the opposition pointed out a while ago that newspapers are going through some form of modernization crisis. Some of them have gone out of business, and

those who studied the situation closely would have us believe that they did because their costs are too high. I know, because I once owned a newspaper and had occasion to deal closely with its administration, that the problem is one of streamlining their operations. The minister, I believe, told us that some newspaper owners stated that if they could not benefit from those special rates, that form of subsidy from the government, they would go bankrupt and would be forced out of business.

Meanwhile, several newspapers throughout Canada will not be affected by the increase in rates. For instance, the Montreal *Dimanche Matin* has a circulation of 325,000 copies, hardly any of which are mailed. The paper is delivered otherwise. And so, in spite of a high circulation, that newspaper will not be affected.

I believe this conclusion can be reached: the problem for newspapers is more one of streamlining than one of increased rates. I therefore urge our newspaper friends to have a close look at their production and distribution system with a view to lowering costs instead of asking the government to subsidize them and pass on the costs to the small taxpayers. I fail to see the logic of the member for Témiscamingue (Mr. Caouette) who accuses the government of squeezing the small taxpayer while asking the government to have him pay for the deficits of some $100 million, which by next year will reach $125 or $150 million, in order to allow newspapers to continue to prosper. Mr. Speaker, there is a lack of logic somewhere.

On the other hand, Mr. Speaker, I presume that I shall be allowed to make a remark since my friend, the hon. member for Témiscamingue, has done me the honour of quoting me several times in this house last night, thus giving me free publicity. I hope that I may be allowed to express my views on the interventions of the hon. member for Témiscamingue, since it is the second time he speaks.

I am still waiting for the opportunity to answer him fully and, perhaps, in the same terms as he uses, because I would like to remind him—I am sorry that he is not in the house, but his colleagues will tell him what I said—that invectives and accusations do not bother me. I have met much larger and much greater opponents than the hon. member for Témiscamingue in my political career. If, in the last few years, I have perhaps become a little more moderate in answering those who attack me, the hon. member for Témiscamingue should not forget that I nevertheless still have a rich enough vocabulary to follow him in all the intricacies of his arguments and in his mania of hurling invectives and insults at those who do not think the way he does, even to the point of questioning their conscience.

This reminds me, Mr. Speaker—and I hope I will be forgiven for quoting something which perhaps is not a very elegant comparison—of a remark made by that firebrand, Mr. Armand Lavergne, who was a member of this house and also of the provincial legislature, and who, when once attacked by someone who was more pro-British than he, had answered, as a starter, and in a much more elaborate way:

> I declare! This British bull is suddenly attacking me. Upon my word, since he is asking for it, I cannot resist playing the picador.

I am almost tempted to plagiarize the late Armand Lavergne and to say to my friend, the hon. member for Témiscamingue: If it is not this créditiste bull breathing defiance and pawing the ground. Since he seems so keen to fight, I cannot resist playing the picador and telling him that it is easy for him, during the discussion of a measure such as the one which we are now considering, or many others which he discussed throughout the province, in all areas where people are misinformed and destitute, thus giving more weight to this rather commonly known proverb: "It is no use preaching to a hungry man" to criticize, because he has no responsibility. He knows that he will not be called upon to solve the problems of Canada to-morrow, but I say, that he cannot pass all limits, Mr. Speaker.

One should not make political capital, lure the poor with false expectations, and act like those pirates who used to lure boats onto the reefs with flashes of light during the storm so as to grow rich on their cargo. The hon. member knows quite well that he cannot make political capital by deluding people into believing that thanks to a mysterious, magic and miraculous formula, he can solve all the problems of the citizens of Quebec or Canada. Moreover, he admits it, since he says that he has been advocating that for 35 years and others had tried to do so in other provinces and countries, but it has never been implemented.

Then, he gives rise to false expectations and delusions among the poor who need bread and concrete measures rather than airy

promises and demagogic behaviours or comments of which the hon. member for Témiscamingue is fond. He wanted to say, Mr. Speaker, and I quote his words, so to be sure not to forget anything of that thoroughly affected prose. Besides, he has attended classes with Mrs. Gilberte Côté-Mercier and it is there he learned to use bland words. Madame Gilberte Côté-Mercier dubbed him a louse, a traitor, a turncoat and many other epithets. That was printed in the newspaper *Vers Demain*, and it is probably there that he learned his humanities. That is why he loves that kind of style.

Mr. André Fortin (Lotbinière): Mr. Speaker—

Mr. Mongrain: "The hon. member for Trois-Rivières", and I quote—

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

I would like to point out to the hon. member that if the purpose of his spiteful innuendos is to defend the Postmaster General (Mr. Kierans) on the subject of the Post Office Act, we should like him to prove what he said at the beginning of his speech, when he said that he would prove that some of the statements contained in the brief submitted by the Association des quotidiens du Québec are false. Therefore, I ask the hon. member for Trois-Rivières to prove his statements rather than be satisfied with—

• (4:20 p.m.)

Mr. Deputy Speaker (Mr. Béchard): Order. I think this is rather a question than a point of order. I recognize the hon. member for Trois-Rivières.

Mr. Mongrain: Mr. Speaker, I do not intend to let the hon. member for Lotbinière (Mr. Fortin) dictate to me the speech I should make. He should rather be proud I am quoting his leader. Of course, I am quoting him verbatim as it is on that I want to make some comments. The hon. member for Témiscamingue (Mr. Caouette) said yesterday evening:

Mr. Speaker, the member for Trois-Rivières (Mr. Mongrain) who was looking after the interests of his people in the Mauricie district—

I thank him for testifying in my favour. I was and still am looking after the interests of my people.

—and who the other day was accusing me of not being present in the house—

Mr. Henri Latulippe (Compton): Mr. Speaker, I rise on a question of privilege.

Yesterday, Mr. Speaker, the hon. member for Témiscamingue was called to order and told he was out of order. The hon. member for Trois-Rivières (Mr. Mongrain) has been doing exactly the same for the last few minutes and you did not call him to order. Mr. Speaker, I think the hon. member should be called to order.

Mr. Deputy Speaker (Mr. Béchard): Order, please.

Mr. Mongrain: I agree with the hon. member for Compton (Mr. Latulippe) when he says the member for Témiscamingue was out of order yesterday evening. However, I think it is only fair to let me answer him since he was attacking me without the slightest provocation.

It will not take long. I know we have too many serious matters to discuss. I am taking it up where I left off.

—who was looking after the interests of his people in the Mauricie district—

It is the Gospel truth.

—who the other day was accusing me of not being present in the house—

True again, he is not here today.

—realizes now that I am more present in the house than he is, since he does not have the courage to stand up and fight for *Le Nouvelliste* of Trois-Rivières.

If I wanted to be rather rude, I would say that this is an idiotic assertion, but I am not saying it, as I would be told that such language is unparliamentary. I have seldom seen anything as childish as that.

He is more present in the house than I am because he has the floor. But if I had asked before him to be recognized, I would have been. It was my intention to speak this afternoon only and I am not allowed to do so. He could not be more present in the house than I was last night since I was here as well.

I believe I do not have in this house either to praise or to curse *Le Nouvelliste* or *La Presse* for not giving me a due amount of publicity. This is not what I am here for. And I quoted that excerpt from the speech of the hon. member for Témiscamingue to show the shallowness of his remarks. He made an exhibition of himself and played the fool. It is amusing at times, especially in the evening, when we are tired. We would find it more amusing if he did not resort to such cheap

tricks to try and run down those who do not agree with him.

In short, Mr. Speaker, I will not labour that point further because, once again, there are serious things to be discussed and we shall try rather to cover that serious aspect of the discussion; I repeat that differences of opinion are surely legitimate, as to the way of financing services, and that the formula advocated by the minister, namely to have them paid by the users, seems to be acceptable.

Everyone wants to make suggestions in the discussion which is now taking place but the opposition has not yet made any constructive suggestions as to how to make up the deficit; all they have said is: "Refer the matter to the committee of the house".

Now, we in the house are doing the work of the committee of the house and, if there are any constructive suggestions, I am sure the minister will be ready to accept them for he had already said so. He told the members of the opposition: "A group of Liberals have made suggestions to me; do the same and I will listen to you". He is still ready to do so, Mr. Speaker.

The minister has still time to amend his bill, if the matter is to be taken seriously, of course. But if there is to be opposition just for the sake of opposition, the subject, in my opinion, is shrewdly chosen; demagoguery can have a field day, because the public readily applauds any opposition to tariff or tax increases. It is all too easy, but will this settle the problem the nation has to face? I wonder, because if we take into account that a $100 million deficit in one department, may increase next year by 25 or 30 millions or more, I think that all those who reason objectively and set aside all personal and party considerations, probably feel that something should be done to settle the question.

Instead of putting the blame on the minister, we should, on the contrary, admire his courage, for he has enough political experience to know that the measure he is proposing is not popular. However, it is a must; he has done his duty come tide or high water.

Mr. Speaker, it has been said during this debate that we were expressing the views of our constituents. I have 54,000 constituents and, during the week-end, we have had many meetings and consultations, concerning various measures which are introduced in this house. The question has been raised, but I heard no protests as bitter as those of members in the house. The question was raised, explanations were asked for, and when I told the people in my riding the amount of the deficit of the Postmaster General's department, and told them that it would increase at the same rate in the future, they said: Well, somebody has to pay and what not the users; it seems to be the most reasonable formula.

Some tried to say that it was an injustice, Mr. Speaker. Some pretended that the just society in the making, was in fact unjust. To the contrary, I think we apply distributive justice by making those who use the service pay for it rather than the non-users. If the government took the latter action, it would be accused of charging the taxpayers for the deficit of the postal service.

Some say it will impair information. Mr. Speaker, the statement is at least grossly exaggerated. In fact, there would be other sources of information, even if all newspapers were to disappear tomorrow morning. Nobody thinks that all newspapers will disappear tomorrow morning, or next month or next year. There will surely be ways to relay the information. Newspapers will not be bothered and they will be able to say what they like to the Ralliement Creditiste, or to the Liberals, we shall not cause them any trouble. However, when it comes to the newsprint the use and sell by means of advertising, they will have to pay for its distribution. This again seems to be perfectly compatible with distributive justice.

Then the honorable minister was blamed for not having heard those concerned. On the contrary, I know that he has had extensive conversations with all those concerned, not only with newspapermen, but with all kinds of people connected directly or indirectly with the press. They had the opportunity to submit any possible suggestions or criticism. What would be gained by referring this to a parliamentary committee? Things would remain stalled a little longer, Mr. Speaker, and most probably the end result would be the same. It is no secret that in life everything must get paid for and paid by somebody, and it is only normal that those services should be paid by those who use them.

Some more or less serious comments have also been made, for example the comparison by an honourable member with the National Arts Centre. He said that we had invested $50 million which could have been given to the Post Office Department to make up the deficit. It would be a "band-aid". It could have remedied the situation for a year, but Canada would have been deprived of that monument

which every Canadian, rich or poor, great or humble, will be able to enjoy. This again is a statement, similar to many others which have been made in this house, which must not be taken seriously.

Mr. Speaker, in closing we can say that such a measure really does hurt everyone. However, we must remember the words spoken by the late President Kennedy: Think of what you can do for your country rather than what your country can do for you. If our country must continue to pile up deficits, if our country must continue to subsidize self-supporting firms by increasing the burden of taxation resting on the shoulders of the poor people and of the little man, the government does not show any distributive justice. But, in a legislation like this one, the government is practising distributive justice; it has the courage to take such actions which enable it to make ends meet and when it will have done it, it will be able to maintain and perhaps to increase this confidence which foreign investors show by investing in Canada, so that our business firms expand and that other firms come into being. There would be less unemployment and misery at home thanks to real money and not through empty promises nor artificially inflated balloons.

This is why, Mr. Speaker, I support the bill of the honourable minister generally, while I shall perhaps support some amendments that he will himself propose.

• (4:30 p.m.)

Hon. Martial Asselin (Charlevoix): Mr. Speaker, when the member for Trois-Rivières (Mr. Mongrain) rose to give his speech, of course I expected him to support the measure of the Postmaster General (Mr. Kierans).

Mr. Speaker, I see with astonishment that some of our friends opposite have returned to the fold of the Liberal party; every day some of them practice what I would call a "boot-licking" policy as we have witnessed in the course of the present debate.

The member for Trois-Rivières obviously spoke certain truths and on some points we agree. But when he tells us that the minister had the courage to levy taxes and that to his mind, that is the only way to correct the situation, I come to the conclusion that the member could not possibly have studied the bill in depth to make such gratuitous assertions. Let us dwell on this point. It is easy to say that we have a deficit and that it must be made up by levying taxes.

Mr. Speaker, I read very carefully the speech the minister made when he moved second reading. He then said: For some years now, the Post Office Department has had deficits in various amounts of up to one hundred million dollars. Unless taxes are increased, it will have an even larger deficit next year. The minister also told us what the reasons were in his opinion, for the deficit over the years in the Post Office Department.

It is true that, in the course of his speech, the minister told us that he had entrusted to experts the task of studying the postal services in depth. But I maintain that the minister is going backwards. If he wants to levy a tax to make up the deficit, to my mind, he should start by finding out the reason for the deficit.

The minister immediately applies a "band-aid" by imposing a tax which will not cover the deficit of the Post Office Department. He could at least have given some thought to low income earners who will again be penalized by the tax imposed by the minister. If the minister at least had spread out his tax increase over a period of two or three years, perhaps it would have less inconvenienced those who will have to pay the bill.

The hon. member for Trois-Rivières says that the members of the opposition are against the measure. Naturally, we are against a further increase in the taxes paid by the taxpayers, and when my hon. friend sat in this house as an independent member, he also sometimes opposed a tax increase imposed by the government. He was with us then. I understand that, today, he is bound by party discipline, and I am surprised to see that the hon. member for Trois-Rivières should conform so graciously to this discipline imposed by the Liberal party. I did not know that aspect of his character before.

The hon. member for Trois-Rivières told us that the minister shows courage in imposing a tax. I say that neither the minister nor the government is justified in doing this. Before the last election, the Liberals showed much more courage in telling the Canadian people: We will have to impose taxes, and you will have to judge us on our political program. However, there was no question of raising taxes before the general election, and the party in power has shown itself very cunning in the administration of the country for the past thirty or thirty-five years.

At the beginning of a term of office, taxes are imposed in all sectors. At the end of the mandate, near the third year, the voters are

given all sorts of goodies and they are asked to vote after being reminded of the goodies they got the previous year. It has always been the same, Mr. Speaker, and I say that if the minister or his government had shown before the election, the true financial picture to the Canadian people, the results would naturally not have been the same.

I see here, the Minister of National Revenue (Mr. Côté) who nods—

Hon. Jean-Pierre Côté (Minister of National Revenue): I was bowing to Mr. Speaker.

Mr. Asselin: I apologize, he says that he was bowing to Mr. Speaker.

I know that the minister understands that if his government had been candid with the voters at the time of the last election, if it had simply said to the people what was the financial condition of the government, less Liberal members would have been elected. We will know tonight the impact of this government's improvising policy.

I say to the minister—he has known it for a long time—that a minister of the Crown who wants to have a bill passed by the house must give evidence that he is right in bringing it in. It is not up to the members to prove to the minister that he is wrong in imposing taxes, and if I read carefully the minister's speech given at the stage of second reading of the bill, I find that the only reason he has invoked to increase the postal rates was his wish to make up a deficit. There again, I repeat what I said earlier—that it would have been more logical for the minister to consider what was wrong in the department, and then proceed to the required reorganization. In a few years, the minister will have to face the problem of automation and he will have to take other decisions. Before increasing taxes, the minister ought to know the facts about the Post Office Department and not merely introduce a bill and say what a member of the board of the Montreal Stock Exchange might say: There is a deficit, so much money is needed, such taxes must be imposed. This is more or less what the minister said the other day.

Obviously, some opposition members have objected, and still do, to that measure. We were terribly happy, Mr. Speaker, when we heard there were Liberal members who were also against this bill.

Mr. Mongrain: You are misinformed.

[Mr. Asselin.]

Mr. Asselin: No. And yet, it has been published in newspapers. I think that the minister said it himself, as reported in *Hansard* on page 1603, and I quote:

> However, Mr. Speaker, in respect of the latter reduction in service it has become apparent as a result of representations made directly to me, and by members here including the 35 men good and true—

An hon. Member: Liberals.

Mr. Asselin: Obviously they were Liberals.

—and the hon. member for Gaspé (Mr. Cyr)—

Indeed, the minister had to convey his little political message; we forgive him all that, knowing that it is done in every parliament. We thought it would go no further. But then the flatterer came out; we saw the member for Gaspé rise in the house and say: The opposition should stop talking; we should pass this bill. Then he started showering flattery on the Postmaster General. It was obvious that the member for Gaspé had been under the steam-roller. It was easy to see and to guess. As concerns the 35 others who were with him, we did not hear about them. The member was told: Listen, keep quiet, and make a nice speech to support the bill.

Mr. Mongrain: Mr. Speaker, I rise on a point of order.

The member for Charlevoix says that 35 Liberal members are objecting to the bill and immediately after, that 35 members are objecting to a clause of the bill. There is a difference on that point and surely the honourable member for Charlevoix should not report innaccuracies.

• (4:40 p.m.)

Mr. Asselin: Mr. Speaker, I would ask the honourable member to follow my speech more carefully because he did not understand it.

I only pointed out that, according to the minister—and that has been reported in the press—the honourable member for Gaspé joined 35 liberal members in opposing the minister's bill. If the honourable member for Trois-Rivières could reveal the secrets of his party caucus, he would have to agree that what I said a while ago was accurate. I said that these 35 gentlemen whom the minister mentionned have been made to toe the line. That is why we have seen last night the honourable member for Gaspé bowing and scraping and telling to the minister that he was a smart operator. These people change their mind very quickly.

The honourable member for Gaspé and his 35 liberal colleagues have changed their mind within a few hours. However, that is no reason why we, from the opposition should allow the minister to push the rate increase through because we believe that such a step is not justified under the circumstances and that it is going to encourage the increases in the cost of living and inflation.

We are already facing a serious inflation problem in this country. Yet, the government had promised us to take the necessary measures to check inflation, and if the member for Trois-Rivières will follow my reasoning, he will find that if postal rates are increased, the consumer will again foot the bill instead of publishers who will pass on the increase to the consumer. If the consumer has less money to spend and if the price of a product keeps increasing, the member for Trois-Rivières knows perfectly well that inflation will follow.

The measure proposed by the minister is an inflationary one, and considering the economic and financial circumstances now prevailing in the country, the Canadian people cannot afford to support such a measure which, I think, will contribute to increase the cost of living.

Of course, the hon. members have informed the house of the representations they had received. I am convinced that the members of the government as well as those of the opposition have received representations from almost all the newspapers, which complained to the minister and even met him. I shall spare the minister the reading of the brief which has been presented to him, since I am convinced he has read and reread it. This brief informed the minister that the increase was too high under the circumstances. Taxation experts have suggested that the minister might consider, with the officials of his Department, the steps to be taken in order to meet the objectives of the Post Office Department and satisfy, at the same time, the publishers. Those same publishers have met the minister as well as other ministers from Quebec and it seems that their meeting did not give the expected results.

And I think that the present government has not only the right but the obligation to receive and to study thoroughly the claims or briefs submitted last week by some organizations.

If the minister is able to stand up for his bill and all its financial implications, I ask him why he is reluctant to comply with the request of the opposition to refer the bill to a committee, which would give the opposition the opportunity to hear the evidence and to discuss with the people and the organizations involved. Indeed, the minister might even have the pleasant surprise, at the conclusion of such discussions in committee, to find that we can reach an agreement, which would perhaps help him to find a solution to his problem, while at the same time doing justice to the people who feel the rate increase proposed by the minister is inacceptable at the present time.

Mr. Speaker, the minister will understand that we cannot accept his bill as easily as a letter in the mail.

I now revert to the remark I made at the beginning. The minister knows very well, since he has been a member, and even a minister, in a provincial legislature, that when a bill is introduced in the house, proof ought to be given that such bill is a must, and the only way the minister can get his department out of a fix. It is not incumbent on us to show the minister that he is wrong, but upon the minister to demonstrate that the whole undertaking is reasonable and that the legislation he is trying to pass at present is the only one that can solve the problem.

And in this respect, the minister will agree with me that he could have explored many other avenues, instead of following blindly reports from officials telling him: Sir, you can make up the deficits of certain periods of the year only by increasing the rates, whatever the consequences might be from the social or financial standpoints. It is obvious that the officials are not close to the people and that they are unaware of their hardships. However, it is still the minister's responsibility to analyse the advice given to him by his officials so as to know, under these circumstances, whether the legislation is doing a service to the Canadian people.

The minister should at least consider the advisability of exempting religious publications and granting subsidies to certain associations such as the War Amputees of Canada. Today we received a brief from that organization to the effect that it will have to close its doors and stop publishing if the minister applies the legislation as he intends to do now, with the increases he wants parliament to accept. The War Amputees Association deserves all our sympathy. Here are people who have found themselves a job in spite of their war disabilities. Everyone knows what those people do to earn a living.

Representatives of the War Amputees Association of Canada told us this morning that if the minister proceeds with the proposed rates, they would suffer from the measure, since their costs would increase by 66⅔ per cent. They would have to put an end to their publication, their activities, and their association would disappear. If other newspapers follow suit—and that will happen as mentioned by hon. members—it will mean that unemployment will increase. It is not the situation of a newspaper that is concerned, but that of people who use the postal service—

An hon. Member: It is not a newspaper.

Mr. Asselin: —and who benefit from the rate of third class mail.

The minister's measure also affects Christmas stamps. I refer to the stamps of antituberculosis associations.

Mr. Speaker, I think we have proved quite clearly to the minister, during this debate, that it would be useless for us to read again the telegrams we have here. I am not here to take the defence—as the hon. member for Trois-Rivières put it—of the weeklies and dailies. I am here, first of all, to represent the people who elected me. And I say that the people who elected me are saturated with the municipal, school, provincial, or federal taxes they have to pay, and I think the member for Trois-Rivières will agree on that point.

We wondered a while ago where to find the money. There must be other ways to find some. The minister must have enough imagination; his officials must have a sufficient knowledge of the workings of his department to look thoroughly into the post office area in order to decide where to get the money while cutting down some services and nevertheless maintaining the quality of some services.

In his speech, the minister said he would close down the small post offices that do not show any profits.

If he thinks he is going to make millions by closing down small rural post offices which mean so much to the people, I am of the opinion that postal rates should not be used as a means to balance the Post Office Department budget. Had the minister only been consistent, had his officials only accepted to advise him so that he could have better enlightened the members, he would have told us: We explored every possibility, we created a commitee of experts—this he mentioned in his speech—and here is the report of that committee. Then, we could have seen that the problems had been dealt with in depth. Then, the minister would not have had to improvise as he did today by introducing a bill to overtax the taxpayers.

• (4:50 p.m.)

In closing, I say this Mr. Speaker: the newspaper owners will not be the ones to suffer most from those measures. Once again, it will be the consumer, the taxpayer. I therefore ask the minister, and the government; to tell us when you will put an end to taxes, when our people can look to the future with a faint glimmer of hope. We shall know tonight, the present government will again crush the taxpayers with new taxes.

It was said last May that the country enjoyed an excellent financial position. And tonight, no measure will be proposed to balance next year's budget. I am convinced that we shall again end up with a deficit of about $500 million.

In spite of this, of course, the government, for several years, has been spending foolishly in every field. I would like to give an example to the member of Trois-Rivières. If, instead of buying new uniforms for the members of the armed forces, that money had been assigned to the post office administration, we would probably not be facing a rate increase today.

How many other examples we could quote to show the careless spending of the government since 1963, whereas we, on this side of the house, have asked several times that they legislate according to a stricter order of priorities. In 1968, a responsible government should legislate on a priority basis.

Such are the reasons why, Mr. Speaker, we cannot approve the increase suggested by the Postmaster General. That is also why we urge the minister to be sensible, to accept the suggestion made by our party and to refer this bill to the committee, so that together we may give it thorough consideration and explore every possible avenue leading to some way of balancing the budget of the Postmaster General.

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

Mr. Deputy Speaker: Order, please. Will the hon. member for Charlevoix allow the hon. member for Trois-Rivières a question?

Mr. Asselin: Certainly, Mr. Speaker.

Mr. Mongrain: Would the hon. member answer the following question?

Considering that he admitted there was a deficit of some $100 million—I heard indeed the hon. member say there was such a deficit—does the hon. member deem it fairer to have that deficit paid by all Canadian taxpayers rather than by newspaper owners, subscribers and buyers, and those who are using the postal services?

Mr. Asselin: Mr. Speaker, the answer would be very easy, I think, and a lot fairer, if the government reduced its expenditures and stopped thinking in a scatter-brained way as it has done since 1963, in short if it had planned its expenditures in order to get more properly balanced budgets in the departments.

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I do not intend to take very much of the time of the house, but one thing that concerns me as much as anything else in this proposed legislation is the position of the weekly newspapers. Perhaps I should more closely define them as the weekly farm newspapers. There are two in particular which serve the farming population in western Canada, the *Western Producer* published in Saskatoon and the *Free Press Weekly,* I think it is called now, published in Winnipeg. From the information I have had it looks to me that the increased cost in each case is, to say the least, substantial. There is at present an amendment before the house to refer this bill to a standing committee, and the situation of the weekly newspapers and others such as the North Battleford *News-Optimist* is probably the best reason for doing so.

I do not propose to take the position that there should be no increase in postal rates on these particular publications. As someone else has said this afternoon, I do not suppose that as an individual member I have that much knowledge of the situation. When one reads in an article in the *Globe and Mail* of October 11, quoting Richard S. Malone, publisher of the *Free Press Weekly,* it is alleged to be Canada's only remaining weekly although I do not think that is so—as saying that that paper will be faced with additional costs of about $400,000 a year, one gets some understanding of the problem. According to the news story, Mr. Malone said that if the increase goes into effect it will represent an increase of 230 per cent in postal rates for the weekly, which has a circulation of 600,000. The *Free Press Weekly,* of course, has recently absorbed the 400,000 circulation *Family Herald.* The article goes on to say:

> "The projected postal increases will have the most serious impact on weekly publications and farm papers," he added. "When the *Family Herald* folded recently, largely because of rising costs, it was paying $100,000 a year in postal charges."

My information is that the *Western Producer* reports about the same rate of increase. The *Family Herald* has, of course, recently folded and it was, I suppose, one of the oldest farm weeklies in Canada. There may be older ones in the province of Quebec or in the maritimes. The information I have been given by people who publish these weeklies is largely substantiated by the article in the *Globe and Mail.* Anyone who farms in western Canada knows that the *Western Producer,* the other major western farm weekly, has been operating at a substantial deficit year after year. I have talked to some of the people responsible and they tell me that it is very unlikely they could increase their advertising rates. The *Western Producer* depends mostly on national advertising for what one might call its large page advertising. It also has, of course, a great deal of classified advertising.

What concerns me is whether newspapers of this type are going to be able to absorb this increase or are they going to have to cease publication. I don't know. I suppose no one will know for sure until these publishers are presented with the bill and decide either to pay it or just quit. I would think there will certainly be some soul searching by the people responsible for paying the deficit incurred by the *Western Producer.* These papers serve a purpose which will not be served if they are not there. They carry farm news which otherwise would not be carried.

In the last issue of the *Western Producer,* for example, we have the news that farm scientists are to visit Japan. There is a story on the shortage of experts in the poor nations. This, one could say, is practically standard news. But there is also a report in this newspaper that Alberta is phasing out its sire purchase policy. This is the type of report you would not find in the large daily newspapers or over radio or television. In addition, there is an article advising farmers to check their bins regularly when they are harvesting out of condition grain. Obviously such a report emanates from a university or a department of agriculture.

Post Office Act

• (5:00 p.m.)

Then we are advised, Mr. Speaker, that there is a course in artificial insemination, say, at the University of Saskatchewan. In another story we are informed about the condition of fall pastures and how they can be improved; such a release probably comes from the experimental station of the Department of Agriculture. Then there is another story about pastures and how cattlemen can build an economic operation by better development of pastures. This is the sort of information carried in these farm weeklies and the Department of Agriculture in Ottawa spends a fair amount of money sending releases to the publications that carry them. They also spend a fair amount of money sending smaller releases to individual farmers.

If this type of publication is going to be discontinued, then how and by what method will this information be disseminated? I think that is a fair question to put to the Postmaster General. I also think it is fair to ask him whether or not he feels that this particular type of publication should continue under the new situation, or whether he knows that it will. After all, these publications do fulfil a vital function.

Let me make myself clear, Mr. Speaker. I hold no brief on behalf of these publications. Quite often I do not agree with their editorial policies. But I do say that they perform one particular function in the communications system on the farming scene. This is particularly the case in the farming area from western Ontario—in fact, the *Free Press Weekly,* I suppose, is distributed farther east than that—through the prairies clear to the Peace river and into the interior valleys of British Columbia. As I say, these papers perform a communications function that is as essential as the function performed by the C.B.C.

I think that this situation should be carefully examined. What strikes me about it from getting information from publications in my area is that the increases affect different publications in different ways. Local newspapers such as the local weeklies face some increased charges but they are not too serious. However, there is a more marked difference in the case of papers like the *Union Farmer,* house organs published by farm unions and that type of organization. The increases will also affect papers like the North Battleford *News-Optimist* and similar papers in British Columbia and Manitoba.

[Mr. Gleave.]

I should like to know what will be the effect of this legislation upon major farm newspapers such as the *Free Press Weekly* and the *Western Producer.* If these papers can afford to pay the increase, fine and dandy. But if they cannot or will not and this means that we will lose this particular method of communication, then we should consider what is going to replace them. For example, the *Western Producer* provides what it calls an open forum which for years has been a vehicle for the exchange of views between its readers throughout its circulation area. It provides an open forum of debate, a place where people can say what they think about the issues of the day and where other people can write in and express differing views. This is what I am concerned about, Mr. Speaker, and if the Postmaster General has an answer I would be happy to hear it.

Mr. Kierans: Does the hon. member want it now?

Mr. Gleave: At the minister's convenience.

Mr. Kierans: I would be happy to answer now, Mr. Speaker.

Mr. Monteith: But not close the debate.

Mr. Kierans: Mr. Speaker—

Mr. Deputy Speaker: Order, please. There is no fear of closing the debate. The minister is speaking to the amendment.

Mr. Kierans: Mr. Speaker, I thought we were speaking to the debate itself, the subject matter before the house. The hon. member wishes to have some details in connection with the *Free Press*; we can close the debate later.

Mr. Monteith: Mr. Speaker, I rise on a point of order. I want it clearly understood that if the minister answers the question at this time he is not closing the debate.

Mr. Deputy Speaker: I thought I made that clear. The minister is speaking to the amendment, or to the debate arising out of the amendment, and is not closing the debate.

Mr. Kierans: Mr. Speaker, is there any reason why the debate should not be closed?

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, it gives me great pleasure to speak in this house to defend the interests of my

constituents and of all Canadians, and to discuss Bill No. C-116 now before us, amending the Post Office Act.

Mr. Speaker, first, I wish to remind members of the most important role played by journalists and newspapers in the Canadian society. The written press is the most important information medium in our great country at the present time. It truly reflects the opinion of the Canadian people. This information medium is the only one that can reach many Canadians, because many regions in our vast country are still hardly reached by radio or television. The written press is the only way to an all-round education for Canadians, since it conveys ideas and data of a political, financial, local, national, and international nature.

[*English*]

Mr. Mather: Mr. Speaker, could I rise to make a personal point? The interpretation system does not seem to be working and I am wondering whether the interpreters know this. I am sorry to interrupt the hon. member.

Mr. Deputy Speaker: Would the hon. member like to continue and we will try to have the interpretation system adjusted.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I feel that an honest newspaperman is an unmatched educator, since he can and truly has the means to convey ideas and information to the public at large. The current of ideas is within his reach and he can strongly influence its orientation. However, he must perforce be honest and he has a right to his information medium, namely the newspapers.

• (5:10 p.m.)

Mr. Speaker, I think that if we recognize that newspapers are a means of informing and educating the people, we must also, consequently, protect them. I do not say we should protect the newspapers themselves, but the subscribers, so that they may get these newspapers at a reasonable price.

I have already said that newspapers are a means of educating people. They allow our young people to discover the problems which exist in the world today. From the age of six or seven on, Canadian children are reading newspapers. They are first interested in pictures, then in cartoons, and finally in local news and so on. Without newspapers, our children will develop late and will not become as attentive to the many aspects of our modern world.

The discovery of printing, as you must know, Mr. Speaker, caused a deep social upheaval. It has served to circulate ideas and has promoted education considerably especially in remote areas. It would be a heavy loss and a regression if all newspapers were to disappear, and it would be heavy going to look after the intellectual needs of our Canadian people, especially of those who live far from the great urban centres.

For all the reasons I have just given, Mr. Speaker, I think we, as legislators, cannot take the risk, to see all our newspapers disappear more or less rapidly, by imposing prohibitive and exorbitant postal rates.

I do understand that the hon. Postmaster General (Mr. Kierans) wants his department to be solvent and I think this is the mark of a good administrator. However, Mr. Speaker, it is not enough to be a good administrator, it is also necessary to have a sense of balance and to think of the welfare of those who are under one's jurisdiction, in the present case, the Canadians and more particularly, the publishers.

The primary purpose of the Post Office Department is to serve the Canadian people and I think the minister is losing sight of this important goal. In fact, if this legislation is accepted by this house in its present form, the Post Office will become a luxury instead of a service for the people. I think therefore that every member will readily understand that we will forget about the Post Office deficit on the one and only condition that it should provide an acceptable service to the Canadian people, because that is the primary purpose of the Post Office and let us not forget it.

Mr. Speaker, who could name one agency in the field of public education able to do its own financing or even to break even?

I maintain that the rates proposed by the Post Office Department are prohibitive and it won't take me long to prove it. I would like to refer as an example to the newspaper, *l'Union des Cantons de l'Est* which at present pays $12.98 as shipping expenses for 865 pounds of mail. As a result of an increase of 3½ cents per pound proposed under the new legislation, the same shipment will cost $48.29. Is that normal, Mr. Speaker?

In the case of newspapers freely distributed, I would like to refer to the *Courrier Sud* which for an average copy of 32 pages is now paying about $280 for 800 copies. Under the proposed raise of 7 cents per copy, in the same conditions, the cost will be $560.

Mr. Speaker the shipping costs will double, which is simply unacceptable, considering that already with the present rates, most dailies and weeklies can hardly manage. This legislation means the death in a more or less distant future of all papers distributed free of charge.

Those newspapers will have to resort to advertisement or to have advertising pages that will also be business pages, as they have to have some kind of financing. This will lead to an increase in the cost of living.

I should like to mention a few weekly newspapers that will be affected by this measure: the Sorel *La Voie métropolitaine* and *Le Courrier Riviera*, the Granby *La nouvelle Revue*, the Asbestos *Le Citoyen*, the Shawinigan *Écho du St-Maurice*, the Baie Comeau *Le Nordic*, the Farnham *L'Avenir*, the Grand-Mère *Le Courrier de Laviolette*, the La Tuque *L'Écho de La Tuque*, the Mont-Joli *Mont-Joli Nouvelles*, the Rimouski *Le Rimouskois*, the Lotbinière county *La Voix de Lotbinière*, the Victoriaville *La Voix des Bois Francs*, the Shawinigan *La Voix de Shawinigan*, the Nicolet *Courrier Sud*, the Abitibi *L'Écho Abitibien*, the Rouyn *La Frontière*, the Sherbrooke *Le Journal de Sherbrooke*.

There is still a huge number of newspapers across Canada I did not mention, Mr. Speaker. Those newspapers will have to bow out and disappear because the Postmaster General decided his department would not have a deficit. In my opinion, this is unacceptable and I think that we should remedy this situation or consider it further.

The Canadian weeklies are prepared to accept a certain increase in their postal rates but certainly not an increase which would double or triple the price at one go. I say, Mr. Speaker, that it is quite unacceptable.

Bill No. C-116 now under consideration provides for an increase of 20 per cent in the postal rate of letters and first class mail. It is a pill which can be swallowed and even digested over a long period, but in the case of weeklies which are delivered free, the increase in the charges would amount to 333 per cent. Is this sensible?

The areas mostly affected are the rural areas which, are reached as we know by weeklies only. Often we hear complaints about the lack of information in some rural areas of Canada. Do you think, Mr. Speaker, that this legislation will improve the situation?

[Mr. Beaudoin.]

Do we have the right to deprive a great part of our population of information? Will this lack of information make for a people aware of its responsibilities, aware of all the problems which require a solution? Who will inform those people on current problems, who will describe to them truthfully the political and economical situation of our country? Some may be led to believe that they will only have to listen to the radio. Yes, of course, they should listen to the radio, but to hear only one side of a question, is that true democracy?

Today, state-owned television is in direct competition with other information media; that state-owned corporation enjoys tremendous advantages. Its deficits are made up out of the government's budget but, Mr. Speaker, I am asking you, what is the government doing for Canadian weeklies?

Mr. Speaker, to conclude, I want to stress the fact that Bill No. C-116 as proposed by the Postmaster General will inevitably bring about the disappearance of many weeklies and other newspapers which, as I said earlier, are absolutely necessary to keep fully informed Canadians who should not be forced to hear only one side of current events.

The soul and education of the Canadian people should not be distorted by a bill designed to balance a budget.

Mr. Speaker, I urge the government to reconsider its decision and refer Bill No. C-116 to a standing committee.

[*English*]

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I rise to support the amendment moved by my colleague the hon. member for Hillsborough (Mr. Macquarrie), the purport of which is that the proposed legislation now before this house be referred to a committee of the house for further consideration.

While the Postmaster General (Mr. Kierans) is to be admired for his efforts to save money and streamline our postal operations it seems to me, sir, that slashing an essential public service is a muddleheaded way of doing things. Though I am extremely pleased the Postmaster General has bowed to the pressures exerted by hon. members on this side of the house and others to abandon his plan to discontinue Saturday deliveries in rural areas, I am unable to support the legislation now before the house.

I have received telegrams from several newspapers in my riding. Among them is a telegram from the St. John's *Evening Telegram,* the largest newspaper in Newfoundland, and a telegram from the Corner Brook *Western Star.* Each of these papers draws attention to the seriousness of the legislation as it affects them as well as to the fact that it will cost in excess of $30,000 a year in additional mailing and operational charges. It is reasonable to assume that the additional cost to the newspaper publishers will be passed on to the advertisers and subscribers. The net result will be that the extra charge will end up in the lap of the consumer. God knows, the average wage earner in Canada, particularly in the Atlantic provinces and in my own province of Newfoundland, has pretty well reached the breaking point and I cannot in all conscience subscribe to any legislation which would further aggravate his already critical situation.

• (5:20 p.m.)

In my view the increased rates proposed by the Postmaster General are a cowardly way of increasing taxation. As I have already stated, many of the people in my province are in desperate straits. We already face the highest cost of living in Canada. We already have the highest unemployment rate in Canada. What is even worse, we have the lowest income per capita in Canada. As a Newfoundlander and as a Canadian, how can I in all fairness subscribe to legislation which would have the effect of worsening this critical situation?

In part of my riding, as well as in a great many other areas in Newfoundland, it is impossible to receive television broadcasts. The only contact people have with the outside world is through the newspapers. Their only way of learning what is going on in Ottawa, in Biafra, in Washington or in Viet Nam is, by and large, through the newspapers.

I am charging the government here and now with discrimination in bringing in this legislation. The people who rely on newspapers for their information live for the most part in rural areas and must depend on the mails for delivery. City dwellers are able to go to the corner store, pay their money and pick up the papers they want. But the people in my riding who live in Placentia or Come-By-Chance or Trepassey—I could name hundreds of places—have to rely on the mails for newspaper deliveries. Consequently they are being discriminated against.

I feel that to shut off a valued service of information to a substantial body of people can only be a disservice to democracy. The present low rates charged for the handling of newspapers are based on the desirability of maintaining an informed electorate, as is, I suppose, the annual subsidy to the C.B.C.—I believe the amount is $140 million—which is by and large a medium of entertainment.

While this problem may not seriously affect the city areas it is a matter of vital concern to thousands of isolated Canadians who, if this legislation is passed, will no longer be able to afford to keep abreast of the times. I suggest that such a policy scarcely becomes a government which has paid a lot of lip service recently to a Canada which does not suffer disparities in services and opportunity.

While I am on this subject let me say I was alarmed to learn the other day that a large number of members of the hon. gentleman's own caucus were not informed of the proposal by the Postmaster General to increase these rates. This is an ironic commentary on the kind of democracy about which the Prime Minister (Mr. Trudeau) spoke so often during the recent election campaign. I contend that this latest piece of muddleheaded legislation is a further mockery of the Prime Minister's just society and his promise to put an end to regional disparities.

While I am on the subject of regional disparity, may I say I am finding it extremely difficult to contain myself while I wait with bated breath to see what the government has in mind to help less fortunate provinces such as mine.

An hon. Member: Don't hold your breath too long.

Mr. Carter: I am not holding my breath now. I don't think I should because I don't know what will happen.

Up to now this government has done nothing to end regional disparity. Indeed, it has taken measures which widen the gap still further between the have and the have-not provinces. Let me give an example. I feel the house is becoming sick and tired of hearing about the salt rebate and fish generally, but hon. members had better get used to it because they are going to hear me talk a great deal about fish in the next few months. Fish should never leave a bad taste in the mouth. So I shall refer to the salt rebate again and draw attention to it as another indication of the Prime Minister's just society and his desire to end regional disparity. I

notice that the Minister of Defence Production (Mr. Jamieson) is laughing. I hope he is listening to what I am saying because it is very important. Right in the middle of the fishing season this great government which is dedicated to the concept of an end to regional disparity eliminated a program with a dire effect on the people of the Atlantic provinces.

Another action on the part of the government which is making a mockery of the Prime Minister's promise of a just society and an end to regional disparity is the discontinuation of the winter works program. Having served as deputy mayor of the city I now represent in this house, I know for a fact that despite what hon. gentlemen opposite say the discontinuance of this program will have a serious effect on the people of St. John's as, indeed, it will have on people in other areas. There will be Newfoundlanders on relief this winter. Newfoundlanders will have to go begging for relief. They will have to draw unemployment insurance. They will have to humble themselves to get handouts to keep body and soul together as a result of the termination of these two programs which the Prime Minister and his government, the champions of the just society, the champions of an end to regional disparity, have discontinued. Because of this, Newfoundlanders will be hungry, except for government relief and handouts given by other agencies. This is sad.

• (5:30 p.m.)

This legislation is further proof of the government's complete disregard for the conditions that exist in the have-not provinces, especially the province of Newfoundland which I have the honour to represent. If the past two or three months are any indication of the government's desire and plan to end regional disparity I say it is not inconceivable that within a certain period separatism will not be confined to the province of Quebec. It is about time that some special consideration and equal rights were given to the have-not provinces. Especially, sir, do I plead for consideration, for equal status and equal rights for the province of Newfoundland.

I should like to bring the Postmaster General up to date on certain conditions with regard to postal services that exist in my riding. In the heart of the city of St. John's we still have post offices that have not been improved to any great extent since confederation. One of the largest post offices in that city is operating out of a temporary war building that is in no way adequate for the purpose. The main post office in St. John's West is housed in a building that should have been condemned decades ago. I challenge the Postmaster General to come with me some time to St. John's and take a look at some of the postal facilities there. Let him look at the post office in St. John's West and then let him tell me that the service which is been given in that post office, because of its inadequate facilities, justifies an increase in postal rates.

In closing, Mr. Speaker, I wish to stress the point I have already made, that the new postal rates will have a serious effect on the people of my province, on the people of the other have-not provinces and, I suppose, on all Canadians. I cannot help but think that the Postmaster General has acted with excessive haste in this matter, and I believe that the difficulties of the post office, which undoubtedly require attention, were aggravated by this summer's settlement with the postal workers.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I believe it is my duty as the representative of Moose Jaw constituency to speak out on the amendment now before the house. I support in its entirety the amendment moved by the hon. member for Hillsborough (Mr. Macquarrie) and seconded by the hon. member for Winnipeg North Centre (Mr. Knowles). I believe it is most important that this bill be referred to a standing committee for thorough consideration by hon. members.

I realize that the President of the Privy Council (Mr. Macdonald) has an obligation with respect to piloting bills through the house, but today I was very much surprised to hear him use blackmail as an attempt to have this post office bill passed in order that we might proceed with the agricultural legislation that has been before the house. I believe it was never the intention of parliament to use this system of manipulating procedures in the house in order to get a bill through that is as completely unacceptable to the Canadian people as is this one.

A news item in the Regina *Leader-Post* of last Friday reported the Minister of Agriculture (Mr. Olson) as suggesting that the opposition is delaying help to the farmers. Now we have the President of the Privy Council suggesting to us that if we pass this bill in a hurry we will be able to return to the cash advance legislation which will assist farmers. This makes me wonder where we are going in our present-day democratic society. I am sure all hon. members are anxious to get the

post office bill out of the way, but in a satisfactory manner, and then get on with the agricultural bills which I submit should not have been delayed. I am sure there are segments of our society just as concerned about this bill as those of us from western Canada are concerned about the agricultural bills, and we would be remiss in our duty if we did not give this bill thorough consideration by referring it to a standing committee.

Speaking on the resolution stage of this bill, as recorded at page 928 of *Hansard* for October 8, the Postmaster General referred to a situation that I believe is completely correct. He suggested that Canada has one of the finest postal services in the world and added:

> Nothing in my brief experience as Postmaster General would lead me to any different opinion—

I can concur with that 100 per cent, Mr. Speaker, and I believe every member of this house would concur if they could be certain that it would continue to be the finest postal system in the world.

The Postmaster General went on to pay tribute to the 48,000 men and women who operate the system and said their efforts are worthy of the thanks of every Canadian. I concur with that too. These 48,000 people have provided a service to this country second to none in the world. But if we allow this bill to be passed in its present form the service which the Canadian people have enjoyed as a way of life may deteriorate, and postal employees will no longer take pride in working for the postal division of the federal government.

Farther on in his speech the minister said:

> It is evident, therefore, that action must be taken to restore a reasonable cost-revenue relationship, and to provide the funds necessary to ensure that our traditional standard of service will be maintained.

We all appreciate the fact that in this modern day there must be streamlining, but that streamlining should not lead to deterioration of service. Hon. members on the government side must accept full responsibility if they allow this bill to pass without agreeing to refer it to a standing committee where it can be intelligently examined as to its merits.

Our postal service has been good but recently it has deteriorated somewhat. I refer specifically to the sorting of mail as we knew it in the past. A news item in a recent issue of the Moose Jaw *Times-Herald* was headed, "Railway Arrival Of Mail Being Discontinued." Mail used to be sorted in Moose Jaw and distributed from that main centre. Now it is being sent to a city 44 miles to the east and being distributed from there. I am sure hon. members realize that to amalgamate and consolidate all these services in a central location is not good so far as distribution is concerned. There is complete congestion at Regina, and if this is an attempt by the Postmaster General to establish a better system of distribution and sorting I must tell him I think it will be a complete failure.

We all know that there is much congestion at airports. Air travel sometimes takes much longer than train travel, especially with respect to the movement of products from one point to another. It is fine and dandy to say that we can get mail into the air and move it from coast to coast. I agree that to move mail by air from country to country is a logical method of transporting it but I do not agree that mail should be transported solely by air from coast to coast. I have often wondered whether the railways themselves wished to get out of their mail handling contracts or whether the government deliberately put them out of that business by taking those contracts away from them. I hope the Postmaster General will clarify this point when he replies.

• (5:40 p.m.)

I know that on days when the weather conditions are poor out west or any other place the movement of mail by air cannot compete with the movement of mail by rail as I have known it in the past. Once winter conditions arrive, distribution of mail by trucks in the western provinces—and I am sure this applies throughout the whole of Canada—slows down or the mail does not go through. We know that when the mail was handled by rail this was not the situation; the mail always went through. We also know of a situation last week in which it took five days for first class mail to travel from Moose Jaw to Ottawa. I should like the Postmaster General to ascertain whether he can speed up the delivery of first class mail because in the last few years, in my opinion, it has been slow compared with the days of the old stage coaches. I do not believe our method of transportation has improved very much in the last few years in particular.

I do know that in a statement the hon. member for Burnaby-Seymour (Mr. Perrault), that self-appointed leader of a block of members to the right, has made quite an issue of the so-called free enterprise system. The hon. member suggested it is time to put postal operations in Canada on a sound,

efficient and businesslike basis. I suggest to the hon. member for Burnaby-Seymour that if we were to follow the lead he suggests we would not cut services. I do not think there is any private, businesslike operation in this country today that would deliberately cut services to the people it is serving and expect to stay in business. I submit that if the Postmaster General would really take this into consideration he would realize that it is not businesslike to cut services.

Another point brought up by the hon. member for Burnaby-Seymour appears at page 956 of *Hansard*. The hon. member suggested there were certain inefficiencies in the postal service but that the Glassco royal commission was highly complimentary of the Canadian postal services. Naturally the commission would be complimentary because the service was and could still be a good service if the bill before us is not accepted. The hon. member for Burnaby-Seymour said:

> But I am sure I speak for the majority in this house when I say that the minister is to be commended for acting decisively to make one of the world's greatest postal systems even more efficient.

Well, Mr. Speaker, there is a similar situation in the province of Saskatchewan to which I might refer. At one time the province of Saskatchewan had the best mental health plan in North America; it was considered to be one of the best in the world. People came from all over the world to see this program in operation in Saskatchewan. I suggest that with the advent of a new government in that province this program deteriorated to the extent that a commission is required in order to find out what has happened. I suggest once again that this is exactly what will happen in respect of our postal service unless the Postmaster General takes a close look at the situation and at least delays the passage of this bill until it has been examined in its entirety by a committee. We know that if this is not done it will be necessary to set up a royal commission in order to find out what has happened in respect of our postal system. Today we still have an opportunity to do something about it. I suggest that the logical way to handle this situation is to refer this whole matter to a committee.

I realize there are many things one could say about the merits of this bill. Naturally there are some things in the bill with which we do not disagree. Yet it has been suggested that there is to be a deterioration of the service in order to benefit the people of Canada as a whole. I am sure members of this house do not want to see a service of which we have been proud deteriorate to the extent it is likely to if this legislation is passed in its present form. We know that only before a parliamentary committee can we have a full debate on this bill and an intelligent consideration of it.

[Mr. Skoberg.]

I should like to refer briefly to some of the direct implications which I consider are contained in the bill which is before us at this time. We know there are many labour and other periodicals and publications which are caught in the cross-fire when the big advertisers and promoters who have been subsidized by the taxpayers too long are being clipped. I do not suggest there is no need for some review but I do suggest that whenever there is a cure it generally is the public who pay the shot. I am referring to trade union and medical publications, for instance, many of which carry no advertising. Church publications and many other publications mentioned by hon. members receive no revenue through advertising.

It is my belief that such publications should be given a postal rate different from that which applies to publications that derive considerable revenue from the advertising contained in them. There should be some allowance or consideration given to any publication which provides a direct service to the people but derives no return from advertising. I am sure no one would disagree that a direct service to the public is the utmost we expect to have in an educated democratic society. It has been pointed out very well by many other speakers that in order to have a democratic society there must be people who participate. One who plans to participate must have the knowledge and material before he can participate in a particular area.

I agree that some of these matters could be left in the hands of the Postmaster General as in the past in respect of certain mail. However, I am sure that the bill before us is too rigid. There should be some leniency in respect of granting concessions to certain publications. In some respects there may not be too much wrong with the bill, although there are certain points with which I do not agree. I feel sure there must be relief from some of the statutory provisions contained in the bill. I believe this is something even hon. members opposite would give consideration to.

I know suggestions have been made that if this bill is allowed to pass in its present form it will mean an increase of 500 per cent—

Mr. Speaker: Order, please. I am sure the hon. member for Moose Jaw wishes to adjourn the debate. It is moved by the hon. member for Moose Jaw, seconded by the hon. member for Yorkton-Melville, that the debate be now adjourned. Is it the pleasure of the house that the debate be now adjourned?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Mr. Speaker, because of the fact that we are having royal assent and then proceeding with other business of eight o'clock, I believe there is a general dispensation—disposition—in the house not to proceed with private members' hour this evening. If Your Honour finds there is general agreement, perhaps this could be done on the understanding that all motions would preserve their place on the order paper and also that this hour would be saved for the house as a further private members' hour.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am sure I would rather agree to a general disposition than to a general dispensation.

Mr. Speaker: Is this the desire of the house?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order, please. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be discussed at the time of adjournment this evening are as follows: The hon. member for Lotbinière (Mr. Fortin)—National Health and Welfare—inquiry as to possible participation of federal government in a campaign against alcoholism; the hon. member for St. John's West (Mr. Carter)—Fisheries—inquiry as to deficiency payments; the hon. member for Gander-Twillingate (Mr. Lundrigan)—Management of Canada's Fishing Resources—continental shelf.

THE ROYAL ASSENT

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

Mr. Speaker, the Right 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.

• (5:50 p.m.)

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An act respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company from the vicinity of Windfall on the Windfall extension to the Sangudo subdivision of the Canadian National Railway in a westerly direction for a distance of approximately 51 miles to the Bigstone property of Pan American Petroleum Corporation and of a connecting spur extending in a northerly direction for a distance of approximately 9 miles to the South Kaybob property of Hudson's Bay Oil & Gas Company Limited and its associates.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. E. J. Benson (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, it is a great honour and a serious responsibility to present the first budget to this new twenty-eighth parliament of Canada. The government and its strong parliamentary majority have come into office with many new ideas and a desire to look at our problems with a fresh perspective. We have, however, many major commitments. These restrict our freedom of innovation and make it necessary for us to work out our new ideas over time.

I have much to report and to propose in this budget and therefore will not attempt a comprehensive review of our financial affairs and policies tonight. The budget white paper, tabled last Wednesday, provides material on our public accounts for 1967-68, and on the economic and financial conditions prevailing in Canada and elsewhere as of the time when it was prepared. I shall refer occasionally to this paper but I shall try not to weary the house with repetition of detail. In particular I do not propose to comment upon the accounts for 1967-68.

Current Economic Setting

The current economic setting for this budget has been set forth in part I of the White Paper. The Canadian economy continues the expansion that began in 1961, that ran to excess in 1965 and 1966, that slowed down in adjusting for these excesses in 1967, and that has accelerated moderately again this year. We are in a period of widespread prosperity, but it is prosperity with problems. The increase this year in production, in national income, in exports, in housing investment, and in industrial productivity has been encouraging. On the other hand, we are troubled both by the extent of unemployment and by the rate at which prices are increasing. Our balance of trade has been better than expected, but our capital markets continue to be subject to serious strains. These are reflected not only in high interest rates but in problems for many borrowers and for those who sell securities.

In the international economic field, we have in recent years made great advances in freeing trade. We are still engaged in implementing agreements by legislative action. Tonight I shall lay before you some 200 pages of tariff items which implement our part of these international arrangements, together with a resolution asking approval for a new bill on anti-dumping duty which will follow consideration of our white paper on this subject by a committee of this house. These are important and constructive measures. Together with related action by others, they should widen the markets and improve the productivity of Canadian industry. They should also provide to Canadian consumers the benefits of increased competition in domestic markets.

In monetary matters, the period under review has been one of many difficulties but has ended upon a most constructive note. For years the Canadian government, with other western governments, has been working out a plan to supplement gold and foreign exchange balances with new forms of international liquid reserves that could be expanded in accord with the needs of world trade and other transactions. After considerable debate this has now been achieved. Parliament will be asked to approve amendments to the Bretton Woods Agreements Act to carry out our part in these new and encouraging arrangements.

• (8:10 p.m.)

Before these new arrangements could be completed several major crises occurred during the past year in the international financial markets. Sterling was devalued. There was a prolonged crisis in gold markets which was only resolved by the working out of a new two price system for gold as well as by more stringent measures by the U.S. to safeguard and improve its balance of payments position.

During this period of stress in the international financial markets last winter there was a short but very sharp run on the Canadian dollar, despite an unusually strong position in Canada's current account balance of payments at that time. We were in danger of being forced into an inappropriate devaluation of our currency, which would have brought higher prices and costs to the Canadian economy and the Canadian consumer. Our position was strengthened by monetary and fiscal measures taken at that time. We were fortunate in being able to get from international institutions and from friendly monetary authorities and governments the temporary assistance that we needed to sustain us during this crisis. We also were able to work out with the United States Treasury arrangements which enabled us to safeguard our vital unrestricted access to the U.S. capital market while not endangering or worsening the U.S. balance of payments position. Subsequently we have been able to borrow substantial sums in Italy, in Germany, and in the United States to assist us in restoring our exchange reserves.

Medium Term Outlook

In looking ahead through the prospective life of this Parliament, we can be optimistic regarding both the resources that will be available to sustain vigorous growth in the Canadian economy and the markets that will be available for what we produce. We have a labour force that is growing more rapidly than that of any other industrial country. It is also increasingly well educated and trained for work in modern jobs. Our natural resources are the envy of others and the basis of much of our industry and wealth. We have a large industrial capacity, much of it now relatively modern and little of it in serious excess. We have access to a large supply of savings within Canada, since we save a high proportion of our income by comparison with others. Fortunately we also enjoy a preferred position in securing international capital, both direct investment associated with modern management, and loan capital in large amounts. At the same time we can look

forward to demands for large scale investment by business in new plant and equipment, growing needs in housing and urban development, and the continued expansion of useful social capital, including hospitals, schools and universities. There should be no dearth of demand during the next four years.

We do face serious problems, however, in organizing our economic advance and expansion, in managing it and in financing it. Both in our public and private activities these tasks are going to require the best brains and work that Canadians can devote to them. Great economic advance is open to us but only if we manage our affairs well.

Short Term Outlook

The outlook for the remainder of 1968 and for next year is discussed in general terms in the first few pages of the White Paper. Conditions in the United States have as usual had a most important influence upon our affairs. This has been true both in the financial markets, where their high interest rates and shortage of capital have affected us directly, and in their markets for our products. Our exports, assisted by the automotive agreements, increased very rapidly early this year. Now that the United States has put into effect its new fiscal policy, approved by Congress in June, we must expect a moderation in their pace of expansion and, we hope, in the rate of price increases which are associated with it.

In our internal affairs we expect to see continued strength in the sustaining forces of our economy. Business investment in Canada has begun to increase again after the pause of 1967 and I look for a significant advance next year. Expenditures on housing in Canada have risen substantially during this year and should continue to expand significantly in 1969, when demand will be strong and when we would expect more mortgage funds to be available. The market for consumption goods and services in Canada has also been strong this year. Looking ahead, we can expect to see further gains in consumer expenditure in real terms, though perhaps at a more moderate rate in money terms if we can succeed in moderating the rise in prices, costs and money incomes in accordance with our anti-inflationary policy. The generally bouyant outlook, however, is marred by regional problems, particularly those now faced by the prairie farmers and the relative lack of employment opportunities in Quebec and the Atlantic provinces.

I now expect to see a level of gross national product and gross national expenditures this calendar year of approximately $67 billion, or about 8 per cent over the $62 billion achieved in 1967. Of this increase, a larger proportion than was the case last year, say about 4½ per cent, should be in real terms, while the average increase in prices reflected in the G.N.P. may average out around 3½ per cent as compared to about 4 per cent last year. This is a modest improvement in price performance though it clearly cannot be regarded as satisfactory.

I will not endeavor to put a precise figure to my expectations for 1969 at this very early stage, but in considering the budgetary position for next year I have had to form some views. I should say that over-all we might expect a somewhat better price performance and about the same increase in volume as this year. This implies a growth in G.N.P. from 1968 to 1969 of something between 7 and 8 per cent. I think we shall continue to face a situation where both the level of unemployment in some areas and the rate of increase in prices will continue to give us concern.

Current Fiscal Position

I turn now to review our current fiscal position. The last budget was that of November 30th, 1967, in which my colleague, the present Secretary of State for External Affairs, was confronted, as I have been since, with difficult problems in the financial markets. He proposed some tax increases and stated the government's intentions to limit its expenditures this year to $10,300 million, apart from medicare, and to limit its demands on the capital market this fiscal year (apart from requirements to finance foreign exchange purchases) to less than $750 million. Those proposals would have just about balanced the budget this year. Subsequently the proposed revenue measures were not approved by Parliament and had to be changed, which has reduced our prospective revenues. While we succeeded in imposing a vigorous restraint upon those expenditure programs which are within direct control of the government, we substantially underestimated the growth in our expenditures under certain statutory obligations and particularly in several large federal-provincial programs.

• (8:20 p.m.)

After reviewing the reports from the Treasury Board that I have received and taking

into account as best we can the supplementary estimates we must still place before Parliament, I estimate our total expenditures this year will be $10,780 million, about 4½ per cent higher than our original intention. I now estimate our revenue this year—before taking in the tax changes I am proposing—will turn out to be approximately $10,050 million. This would leave a substantial deficit of $730 million. These figures do not include any write-off of our share of the Expo deficit, which involves no cash expenditure and which will be the subject of legislation later in this session. This deficit of Expo has been financed in earlier years and we are now recovering a part of the cost from Quebec.

Our extra-budgetary accounts this fiscal year have been complicated by the rundown in our exchange reserves late in the last fiscal year and their restoration in recent months. Early in 1968 the rundown of our exchange reserves produced a temporary swelling of our cash balances—a situation which made it possible and desirable to postpone borrowing during the latter part of last fiscal year. Apart from foreign exchange operations, our loans and investments this year have been a bit less than expected, though in the housing field the slower than expected demand by provincial and local authorities for loans for public and other institutional housing has made it possible to provide a winter program of direct loans for owner-occupied housing. This program will not only help to meet a real need but will also provide a direct stimulus to employment.

Apart from the financing of exchange, our net extra-budgetary requirements for cash during this fiscal year I now forecast at $600 million. This must be added to the budgetary deficit in assessing our total cash requirements, including those being met by reducing our cash balances.

In regard to exchange we have had to utilize $490 million Canadian since April 1st up to the end of last month in order to finance our net purchases of foreign exchange in the market which is evidence of the recovery in strength of the Canadian dollar. This has been added to our reserves. The government has also borrowed the equivalent of $US 234 million outside Canada to be added to our reserves during this period. Part of these new foreign exchange resources has of course been used to pay off in full the short-term international obligations incurred during the exchange crisis.

[Mr. Benson.]

To meet the large Canadian cash requirements this year we have been able to draw down the abnormally large balances we had at April 1st—$997 million—mainly arising from the sale of U.S. dollars during the exchange crisis. In addition we have had to borrow very substantial sums, by issues of marketable bonds at June 15th, August 1st and October 1st, by the sale of the special replacement issue of Canada Savings Bonds in May, mainly to refund in advance the large issue maturing this year but also in part providing cash, and by increasing the volume of sales of Treasury Bills. The proceeds of these issues, together with our cash balances, have been used: first, to refund maturing issues; secondly, to meet the very large net redemptions of Canada Savings Bonds (amounting to $556 million up to October 16 this fiscal year); thirdly, to purchase exchange in the market; and, finally, to meet our current budgetary and extra-budgetary requirements. To October 16 this fiscal year we have borrowed $428 million on balance in the Canadian market after taking into account refundings and redemptions both of marketable obligations and of Canada Savings Bonds.

Our objective in the current Canada Savings Bond campaign is a record sale which will raise a large amount of cash during November. The terms are very attractive in comparison with earlier Series and with other investment possibilities. This savings bond is an excellent investment through which Canadians in all walks of life can conveniently and profitably put their money to work in furthering their own interests and the national interest through the financing of important constructive programs such as housing; nuclear power is another example, and of course farm credit. To achieve a broad placement of the new Series of Canada Savings Bonds, a vigorous effort is underway from coast to coast by a large and experienced payroll savings organization, by the banks and other financial institutions and by investment dealers and stockbrokers. This effort is backed by a first class advertising campaign using all major media. The attractive terms will prompt many holders to convert earlier Series into the new Series. To cover these rollovers and to produce a large amount of cash will require a gross sale during the campaign period in excess of the previous record established in 1966. I believe our savings bond organization is mounting the best

operation of its kind in the western world and I look forward to its success as a major element in our financing program this year.

Mr. Harkness: What is your estimate of the amount of money involved?

Mr. Benson: We will need to borrow in the market again before this fiscal year is over in order to refund maturing debt and possibly to raise some additional cash as well but the total of such marketable financing will depend importantly on the outcome of the Savings Bond campaign.

1969-70 Fiscal Outlook

It is difficult to forecast our position in the next fiscal year at such an early date as this, yet I feel I must make some effort to do so in order to develop the tax proposals that I think it is necessary to place before you tonight.

We intend to continue severe restraint upon those direct expenditure programs under the government's control, eliminating what is obsolete and permitting only the degree of growth that is essential. We shall have to resist requests by members on both sides of the house, and from groups and individuals outside, to spend money for worthy purposes which we cannot afford to do along with the other things we are doing. It will also be necessary to maintain a virtual freeze on the size of the public service of Canada. We shall also seek the vigorous cooperation of the provincial governments in the same kind of restraint upon the growth of the jointly financed expenditure programs under their control. Even those programs which we and they agree deserve priority must be carried out with maximum economy, and with a keen eye to what is really essential.

On this basis I am now forecasting budgetary expenditures in the next fiscal year at approximately $11,670 million, including medicare expenditures on the assumption that all provinces will take advantage of the Medical Care Act. This would be an increase of $890 million, of which about $335 million would be for medicare—leaving an increase of less than 5½ percent for all other expenditures. Revenues for next year—before the tax changes I am now proposing or those that may arise from our tax reform program next year—can be estimated at about $10,830 million, a growth of approximately 7¾ percent over the current year. This takes into account a variety of special factors as well as general economic growth.

• (8:30 p.m.)

We must of course keep in mind the loans and investments to be made next year, as well as our expenditures, in assessing the nature and scale of our fiscal problems. Our detailed budgets in this field are not yet decided. By far the largest element in this total is housing. The capital budget for the Central Mortgage and Housing Corporation next year should reflect the conclusions of the government after it receives the views of the special task force headed by my colleague, the Minister of Transport (Mr. Hellyer). It will also include farm credit as a major element, where we must endeavor to take into account the extent to which demands can be met from the banks and other institutional lenders. The revision of the Farm Improvement Loans Act will help in this regard. In addition of course we have a wide variety of loans and investments for nuclear and other special power projects, for the Seaway and Air Canada, the Canadian National Railways and other crown agencies. and for foreign aid and export credits. I would expect the total to be something of the same general level as this year, and partly offset by receipts of cash from outside the budget (from employee pension funds and other accounts for example). The net extra-budgetary requirement for cash would appear likely to be of the order of $600 or $700 million, excluding what may be required for foreign exchange purposes.

These extra-budgetary requirements are demands that we would normally aim to meet by borrowing. At the level indicated, however, they alone will pre-empt most or all of what we should expect to borrow next year in competition with other borrowers in the capital and credit markets.

Control of Public Expenditure

Our experience this past year, and the prospects next year, force us all to recognize the central problem of the control of public expenditures in Canada today. This is a problem that confronts not only the parliament of Canada but also the legislatures of the provinces and the Councils of the municipalities. The past decade has witnessed a very rapid increase in the scale of public expenditures at all levels, and particularly by provinces and municipalities. I will not endeavor to give detailed figures to the house at this point, but we may note briefly that expenditures by all governments as recorded in our national economic accounts have risen from $8.7 billion in

1957 to $21.2 billion in 1967. Of this increase of $12.5 billion some $8.4 billion has been in provincial and municipal final expenditures. Federal transfer payments to provinces, of course, have increased very rapidly to help meet this growth. When these transfers are eliminated, the increase in federal expenditures for its own direct programs over this period has been $4 billion. In 1957 they were 15.1 percent of the G.N.P. By 1967 they had fallen to 14.3 percent of the G.N.P.

It is well known that several large programs that we finance jointly with provincial governments are those that have been found most difficult to control. These include notably the program commenced in 1967 whereby we have provided tax abatements, equalization payments, and direct cash adjustment payments under the Fiscal Arrangements Act to assist the provinces in meeting the costs of university and other post-secondary education. Included in these shareable costs are large sums spent for senior matriculation courses in secondary schools, such as grade 13 in Ontario. Our assistance for such education amounts to one half of the total operating expenditures in the provinces, including those financed by student fees or other sources. These costs are now increasing at an annual rate of about 20 percent, and our adjustment payments must be expected to rise very rapidly to reflect this phenomenal expansion.

The other most rapidly expanding program is hospital insurance, where the current rate of cost increases exceeds 15 percent despite the fact that the program is now well established and reasonably mature. Payments for general welfare purposes under the Canada Assistance Plan are large, but they are not subject to such rapid built-in cost increases and do not cause as much concern. Medicare of course will quickly become a large joint program and will involve growing expenditures for us as well as for the provinces for some time. However, in view of the substantial increases in medical fee schedules in recent years, the new medicare program should not run into cost increases as large as those of hospital insurance, for example. We should note that new government expenditures for medical care will be mainly replacing payments by individuals for the same purpose or payments made through existing private or public plans. Only a fraction of the cost will constitute an increasing demand upon the economy, but the result should be a fairer and more efficient system of assuring health care for all Canadians regardless of income.

[Mr. Benson.]

Mr. Knowles (Winnipeg North Centre): At last the government is beginning to realize this.

Mr. Benson:

Discussions with the Provinces

The effective management of all these major services is a matter for the provinces. It is in the mutual interest of all the governments and of the people of Canada to ensure that expenditures under these very important programs are made economically and in accordance with sound judgments as to priorities and rates of growth, taking into account the burdens they place on the taxpayers as well as the objectives of the programs themselves. I plan to meet with the treasurers and finance ministers of the provinces early in November to discuss these questions. I expect that in reviewing this health field we will be joined by our colleagues, the ministers of health who will also be meeting here at the same time. We will consider whether some intensive work should be put in hand on a broad basis to apply modern systems analysis and operational research to improving the efficiency with which health services and facilities are provided to the people of Canada.

In the field of higher education there is the same need for economy and efficiency but one must also take into account major issues of policy. These, of course, are matters of provincial responsibility. The universities and other educational institutions face increasing problems of their own, and we are all more conscious of them now than ever before. Provincial governments are responsible for the evolution of the laws and institutions for higher education. We have no desire to interfere at all in this difficult and delicate responsibility, where each of our provinces will wish to see its institutions develop in a way that suits its own conditions. Our main con- of growth involved. In 1965-66 our contribucern in 1966 and 1967 was to ensure that the provinces had additional financial means at their disposal to help meet the abnormally rapid increase in requirements during the current period for the expansion of universities and other post-secondary educational institutions. We recognized this priority, although we have been surprised at the extreme rate tion to the support of higher education, including the special tax abatement to Quebec, amounted to about $40 million. This year the equivalent fiscal transfer and cash payments to the provinces are estimated at about

$500 million—over twelve times what they were three years ago.

As the Prime Minister has already indicated, we anticipate that provinces will wish to discuss with us questions related to medicare. We shall be quite prepared to discuss them. We hope that all the provinces will take advantage of that act at the first opportunity. We continue to believe that the provision of medical care services as a publicly financed operation is a matter of high priority in the development of proper health and social services for Canadians.

• (8:40 p.m.)

This government and this House recognize the financial problems being faced by all the provinces—even the wealthiest of them, which is the most outspoken on the subject. Between 1962 and 1967 we reduced the federal personal income tax to make way for the provinces to enlarge their use of this revenue field from 16 percentage points to 28 percentage points. We are now helping all provinces with substantial participation in meeting the cost of broad services in the fields of health, welfare and higher education, and particularly in rapidly growing programs in fields of highest priority. We are giving major assistance to the provinces with less than average taxable capacity by our equalization grants. We are providing hundreds of millions a year in housing finance to provincial and local agencies under the National Housing Act. All the many hundreds of millions of dollars we collect in contributions under the Canada Pension Plan, in excess of current pension payments, are loaned immediately to the provinces. Parliament has proven with action its concern for the financial needs of the provinces. We can legitimately expect recognition by them of our problems, and of the needs for expenditures on national programs for which we as a parliament are responsible.

Emphasis in Economic Policy

Before turning to our immediate fiscal policy and the details of proposed tax measures, it is essential to consider the over-all framework of general economic policy for 1969 and to determine its main emphasis. Needless to say, we shall continue to work toward all the broad goals which are widely accepted in western industrial countries—full employment, economic growth, price stability, balance in external payments, and an equitable sharing of rising incomes.

These general goals comprehend many specific objectives—the training and mobility of labour, the improvement of productivity, increasing economic efficiency through more vigorous competition, the freeing of international trade, the reduction of regional disparities, the elimination of poverty—indeed, almost all the economic and social virtues we can think of. But the real problem in public policy comes in being specific, in reconciling conflicting objectives, in making choices among competing demands, in deciding how much of each to pursue, and of course in knowing how to do it all effectively and efficiently. There are far more good things to be done in Canada, particularly by governments, than there are resources available to do them.

We are doing a great deal, and will do more next year, in pursuit of all the goals and objectives I have mentioned. Not the least of our efforts, I would emphasize, are the many services and programs to deal effectively, constructively and humanely with poverty. But we cannot do everything at once. Rather, we must try to advance on as broad and balanced a front as possible, and we must be ready at all times to face up to the most urgent priorities among all of our objectives.

Resisting Inflation

In the broad field of economic policy the most urgent need now is to check further the continuing increase in prices and living costs. There appears to have been some easing of inflationary pressure in recent months. But there is little evidence that the damaging upward spiral of prices and costs has been effectively broken. Further, unless our policies are firmly set to resist inflation, there is great danger that continued prosperity in 1969 will cause pressures that will set in train a new round of price and cost increases.

I want to emphasize that a rapid rise in the price level, on the scale experienced in recent years, has many serious and damaging effects. Firstly, it is most unfair to those in our society, mainly the older people and the poor among us, who do not possess the bargaining power necessary to protect themselves against the increase in the cost of living. There is no doubt that recent and current inflation is hurting many more than the number who suffer from unemployment. Secondly, rapid price increases undermine the whole basis of our economic structure and competitive market system. A flexible price system cannot operate properly to allocate resources for

maximum production and income unless the price level as a whole is reasonably stable. Thirdly, serious inflation erodes gradually but surely the competitive position of Canadian producers, both in other countries with whom we must trade and in our own markets at home. And fourthly, it makes people, and the institutions through whom they invest their money, increasingly reluctant to lend money except at high interest rates and in decreasing amounts. Yet the growth and development of our economy requires the large scale investment of savings in the form of mortgages and bonds fixed in terms of money. These securities are the only means open to homeowners, school boards, municipalities and governments to borrow funds needed for housing and for all the public purposes essential in our modern society. Unlike large corporations, none of these borrowers can sell equity shares, but their increasing role in the capital markets means that even a moderate degree of inflation poses a larger problem than ever before.

We should not delude ourselves into thinking the choice is between either policies of fiscal ease to counter unemployment or policies of fiscal restraint to fight inflation. In our present circumstances, unchecked inflation would precipitate the kind of economic disruption in which unemployment would surely increase and we would end up with more of both of these evils.

Achieving greater stability in our price level requires action on many fronts. Our fiscal policy must avoid excess demand on production and markets, and keep producers constantly aware of the need to compete vigorously and to prevent cost increases. We need to exercise a wider responsibility to promote competition and minimize restraints on trade. Management must do all it can to improve efficiency and productivity. Workers and governments must cooperate to ensure better training and mobility of the labour force. Business and governments must anticipate bottlenecks and shortages and plan production and demands to minimize them in every way possible. Over the long term the provinces must plan and provide better education. Finally, we must, I feel, do all we can to persuade those who enjoy strong market power to exercise it with due restraint, taking the public interest fully into account. This will require the use of public education, special inquiries into inflationary situations, and the mobilizing of public opinion against practices and actions which endanger the maintenance of price stability in our country.

[Mr. Benson.]

I expect that my colleague, the Minister of Consumer and Corporate Affairs, will have something more to say on plans and measures to combat inflationary cost increases when he participates in the Budget debate. The list I have already given, Mr. Speaker, makes quite a catalogue. Nevertheless they are all measures which Canadians, working together can achieve. Most of them are desirable in themselves, but they should now be given particular attention and focused upon preventing further increases in the cost of living.

Current Fiscal Strategy

In deciding on over-all fiscal strategy for 1968 and '69 we must take into account both the financial prospects I have described and the broad economic situation I have outlined. After doing so we have reached the conclusion that we must raise substantially more revenues in order to bring the budget into balance in 1969-70.

By such action we will be contributing to the restoration of price stability, while at the same time giving support to the economy through investment programs in housing, farm credit and other economic fields. We will be limiting our demands on the capital market to non-inflationary amounts to be used for capital purposes. The provinces and municipalities on their part will be investing one way or another the large funds we turn over to them from the Canada Pension Plan, and borrowing in the market to finance public works and their other lending and investment programs. In accordance with the practice of recent years I shall be meeting at the end of the year with the provincial finance ministers to review the current economic situation and prospects, to assess the impact on the economy of our over-all public financial position, and to consider what are appropriate fiscal policies in this light. I believe however that the general strategy I have proposed is the best one for the federal government in the present circumstances.

Tax Recommendations

In selecting the tax changes to be made to implement this policy I am mindful of the tax reform program which the government proposes to initiate next winter. I have been over with my officials the conclusions which they have reached from a long and comprehensive review of our income tax laws, the report of

the Royal Commission on Taxation and the scores of briefs and hundreds of letters which we have received on the subject. After further thought I have reached certain decisions which I have asked my officers to set forth in the form of a draft bill, which I will place before my colleagues for their approval or modification. It is this draft, suitably revised and explained, which will be placed before the house, provincial ministers, and the public for detailed study and discussion early in the new year. It would then be reconsidered and revised by the government for final consideration by the house in the latter part of 1969. By that means I hope we can have a reformed income tax in effect in 1970.

The tax recommendations which I am making tonight are not an integral part of next year's reform package. By that I mean that they stand on their own and should be implemented, whether or not there is to be any further reform. They do not commit us to particular changes in other areas.

• (8:50 p.m.)

Estate Tax and Gift Tax

The first group of recommendations concerns the Estate Tax and the Gift Tax. I have come to the conclusion that transfers of property at death and by gift should not, at least for the present, be included in income like other items that have normally been regarded as income of a recurring nature. While respecting the intellectual coherence and elegance of the case made by the Royal Commission on Taxation on this matter —crudely summed up in the phrase that "a buck is a buck is a buck"—I believe that the overwhelming weight of Canadian opinion is against it now, and many Canadian practices and institutions would be seriously disrupted if we embraced this proposal. Instead, I propose that the estate and gift taxes continue to be levied on the transferor and that they be reformed along different lines.

I am proposing that in respect of deaths after midnight tonight we exempt all amounts left outright to a widow by her husband, and to a widower by his wife. Perhaps I should make it absolutely clear that this estate tax exemption includes pension and annuity benefits. Further, if a husband leaves the entire life interest in a trust to his wife, the assets in that trust will be excluded from his estate, but included in hers, and vice versa. With this reform, we will recognize the contribution made by wives to the accumulation and conservation of the wealth of the family. It will eliminate a deeply felt grievance.

There would also be a $10,000 exemption in respect of the amount left to each child, and additional exemptions for younger children depending on age and income, and for children wholly dependent because of disability. Finally there would be a general exemption of $20,000 to eliminate or reduce the tax on small estates to whomever they may be willed.

I propose that the loss of revenue arising from this long awaited reform of the exemption structure be made up by raising the rates on the rest of the estate. The schedule of rates is set forth in the table included in the resolution: they range from 15 percent at the bottom to 50 percent at the top. The value of taxable gifts made after tonight will, on the donor's death, affect the rates in the tax schedule that are applied to the taxable value of his estate. In effect, taxable gifts made after tonight will use up part of the low rate brackets in the Estate Tax rate schedule.

It is difficult to predict accurately the revenue effects of changes in estate taxes but I have aimed at maintaining the same total over-all revenue while permitting the transmission of property between husband and wife without tax.

It will be recalled that since 1964 the provinces have enjoyed three-quarters of the revenue from the estate tax—either by payment from the federal treasury or by abatement in their favour. I do not propose that this be changed. We recognize the special interest of the provinces in this field of taxation but believe that parliament should keep a share in it for its indirect benefits in the enforcing of the Income Tax Act as well as its direct benefits in revenue. There are some transmissions of property that cannot be taxed by laws within provincial jurisdiction.

I propose that we amend certain of the special statutory rules about *situs* of property in order to bring the federal rules more in line with those used for purposes of provincial succession duties. I intend to discuss with provincial ministers other means of achieving greater uniformity and simplicity in the laws concerning death duties and their application.

As for the gift tax, effective tonight the exemptions and the rates will be changed, and the new rate schedule will apply progressively to the cumulative total of all future taxable gifts made by the donor.

Straightforward gifts between husband and wife will be completely exempt. Gifts to other

individuals will be exempt up to $2,000 per annum for each recipient. There will be no exemption for gifts to trusts or corporations. The present exemption for gifts to registered charities will be continued, as will the once-in-a-lifetime exemption of $10,000 in respect of a gift of a farm by the farmer to his child. The other present exemptions, including that based on income after tax, will be dropped.

The rates of gift tax would range from 12 percent on the cumulative total of taxable gifts until $15,000 is reached, up to a maximum rate of 75 percent on gifts when the cumulative total exceeds $200,000. This 75 percent means in effect a tax rate of three-sevenths or about 43 percent, on the total of the gift and the tax on it, the basis on which we normally think of income and estate taxes.

It will be evident to the honourable members that, if the gift tax rate changes were not effective immediately, taxpayers could take advantage of any interim period to make abnormally large gifts before the new cumulative system begins. I believe that members will also agree that the estate tax changes should be made effective immediately so as to exempt property passing to widows on deaths after midnight tonight.

Life Insurance Companies

My second group of proposals concerns the life insurance companies and their policyholders. At present, the business incomes of life insurance companies are largely exempt from tax: the companies are taxed only on the amounts appropriated for shareholders during the year. This is usually only a small fraction of the total business income of the shareholder-owned companies, and of course it produces no taxable income at all for the mutual companies, which now I should point out, dominate the industry, or for the fraternal benefit societies.

I am proposing that we introduce special rules to recognize the problems that arise in measuring income in the life insurance industry, but that, with the exception of these special rules, the general provisions of the Income Tax Act apply to this industry just as they do to all others.

One of the special rules will deal with the deductions from income permitted in order to provide the policy reserves needed to meet future liabilities under policies of insurance. The details of the computation of these reserves will be set out in regulations, and the industry will be consulted in the course of preparing these regulations. However, I have in mind that we would use, in computing the reserves against the various classes of policies, the same interest assumption that is implicit in the tables of cash surrender values.

Policy dividends will be deductible, provided they are paid out of the profits of the participating fund.

• (9:00 p.m.)

All of this will apply only to the Canadian operations of the corporations. The usual rules for determining the profits of a branch of a company will apply except that we will provide by regulation for the computation of the portion of their investment income which is attributable to their Canadian operations.

For Canadian companies, the income producing assets that will be treated as Canadian will be proportionate to the part of their over-all actuarial reserves that relate to Canadian business. This will bring a reasonable portion of their investment income into Canadian taxable income, and at the same time, it will not penalize those companies which choose to keep most of their assets in Canada.

For non-resident companies, the income-producing assets that will be treated as Canadian as of January 1, 1969 will be those required to be kept in Canada in accordance with the rules of the Superintendent of Insurance. The income from other Canadian assets of these companies will continue to be subject only to withholding taxes. I want to emphasize that there is nothing in these recommendations to cause these companies to withdraw funds from Canada, nor is there anything to deter them from investing more in Canada.

For the future, the income-producing assets of these companies will be increased by the amounts derived from the Canadian operations, and reduced by the value of the assets which they choose to transfer to withholding-tax status. We will apply our 15 percent branch tax only to these transfers.

It is essential as well, I believe, in terms of equity between those who save in the form of insurance policies and those who save in other forms, to levy some tax on the investment income which policyholders receive through the insurance companies, either in the form of policy dividends or otherwise. The Royal Commission proposed valuing these elements of investment income each year—whether or not received directly by the policyholder—and taxing them directly to

him. We have worked out a much simpler and more practical method which should achieve substantially similar equity.

In order to tax those elements of investment income actually received by the policyholder before he dies, either through cashing in his policy or selling it, we propose to include in his taxable income the proceeds of the policy less the net amount he has paid for it. In most cases his cost would be premiums less dividends. For policies already in existence the taxpayer could use as his cost to date the cash surrender value on the next anniversary date of the policy. This will ensure that this tax applies only to investment income earned after today.

The regulations which define the taxable element of annuity payments will be amended so that they are consistent with this treatment of insurance policies. Again, the change will not affect the treatment of interest earned before today.

This will bring to tax the amounts withdrawn by policyholders. There is no comparable simple and practical method of taxing in the policyholders' hands the investment income which benefits them by way of reduced premiums or increased policy dividends. Consequently I am proposing that we levy a 15 percent tax on part of the investment income of insurance companies. This will take the place of a tax on the individual policyholders. I will not attempt to give all of the details of the computation of taxable investment income: they are set out in the resolution. However, I would like to mention that there are several deductions from total investment income to arrive at taxable investment income, including deductions to recognize that some policies are in respect of registered pension plans, and a deduction to recognize the special situation with respect to outstanding non-participating policies.

Since this tax will reduce the investment income available to the companies, it will be a deduction in arriving at taxable income.

I have tried to assess the effects of these taxes on the Canadian life insurance industry. Clearly they will reduce its annual accumulation of income in general contingency reserves—which is as it ought to be, for these are business profits not now being taxed. The tax on investment income may cause a moderate increase in the premium rates in the future, or at least in the net cost after policy dividends, of new policies and it may cause a moderate reduction in the policy dividends to be paid in future on many outstanding participating policies.

On balance however the gain in revenue to us and to the provinces and the gain in equity in treating different channels of savings more fairly would outweigh the disadvantages. The life insurance industry in Canada, both foreign and domestic and those who invest in it will be taxed fairly by comparison with other industries and financial institutions. It will be taxed more logically I believe than that industry is taxed in other countries, including the United States. The industry is already having to adjust to changing conditions and market preferences, and I believe this new tax regime—which should remove the uncertainty about taxes which has been hanging over the industry for years—will speed that process. It could lead to new combinations of basic insurance protection and savings in various forms, perhaps making more effective use of the provisions for registered retirement savings plans.

Estimating the revenue yield from these taxes on life insurance companies and withdrawals is somewhat hazardous but I believe that for the next fiscal year the total revenue yield would be about $95 million, of which about $40 million would come from the indirect tax on investment income. About $10 million would be provincial revenue.

I also propose that non-resident companies carrying on a general insurance business in Canada (that is other than life insurance) will include in Canadian taxable income the investment income attributable to their Canadian operations. This will be the income flowing from the assets related to the Canadian branch computed in the same manner as for non-resident life companies; other Canadian investment income of such companies would continue to be subject only to withholding tax. This will correct a discrimination against Canadian companies carrying on such business here, but will not impede the investment in Canada of reserves against insurance risks elsewhere.

Reserves of Financial Institutions

I have reviewed the reserves allowed to financial institutions for tax purposes in the light of the Report of the Royal Commission on Taxation. As a result, I propose now to reduce the limits both for mortgage lenders and for banks and those cases where the reserves are not determined by a detailed appraisal of individual accounts but on the basis of a general percentage applied to large categories, which is the normal practice.

In view of the loss experience of mortage lenders over the past twenty years, I am proposing to reduce the limit in section 85G of the Income Tax Act from 3 percent of the outstanding total of non-NHA mortgages to 1½ percent. I am prepared to entertain alternative practical proposals to differentiate between mortgages of different type or quality as the Carter Commission proposed, but I have not myself yet found a formula that seemed better than a single percentage when account is taken of the problems of reporting and assessment.

For banks, I am also proposing a limit of 1½ percent applied to the total of the assets that are now eligible to be included in computing reserves. This will represent a cutback of approximately one half from the present level of reserves. I am not persuaded that more elaborate formulas, of the types suggested by the Royal Commission on Taxation, are necessary; but I am prepared to consider alternatives as long as they lead to comparable aggregate results.

The existing reserves of some of these financial institutions, built up over many years, are substantially larger than this new formula would provide. This mainly applies to the banks. The Royal Commission recommended that transitional arrangements extending up to ten years would be appropriate for the gradual adjustment of the reserves to the new limits. I propose that such a transition be authorized. As long as the reserves exceed the limit set by the 1½ percent formula they would not be increased. The limit on the reserves for each institution would be reduced year by year on a cumulative basis in such a way as to reduce the authorized excess over the 1½ percent ratio by an amount each year equal to one tenth of the excess for that institution at the end of its current taxation year. In most cases a large part of this reduction and in some cases all of it would be brought about by the growth in the assets to which the 1½ percent ratio applies, but insofar as this was not sufficient a portion of the excess would have to be brought back into taxable income to accomplish the gradual transition to the new authorized ratio.

I estimate that this change in permitted reserves will bring in $45 million of budgetary revenue during 1969-70, as well as some revenue to the old age security account, and some increase in provincial revenues.

[Mr. Benson.]

Other Measures

In quite another field I am proposing a change in the law to clearly exclude from the exemption provided for provincial crown corporations those cases where persons or corporations other than Her Majesty or a municipality have options to buy shares held by Her Majesty or a municipality. It is still possible that corporations in respect of which this is true may be held taxable under the present law, since the arrangements in question appear to be facades. However, I think we should put the matter beyond doubt.

• (9:10 p.m.)

At this time I wish to announce a change that will be made in the regulations relating to depletion allowances for the operators of oil and gas wells and mines. The existing scheme contemplates that depletion will be calculated as a percentage of production profits after deducting exploration and development expenses. Unfortunately, as the regulations now read, groups of companies can obtain much greater benefits than were intended by arranging to have their exploration and development activities carried on in one company and their producton activities carried on in another. The regulations are being changed to provide that all exploration and development expenses of the group must be deducted from production profits before depletion is computed.

I should also like to announce that my colleague the Minister of National Revenue intends to enforce more thoroughly and in finer detail the collection of tax on receipts of interest. It has been fairly widely believed in recent years—and noted by the Royal Commission on Taxation—that there appears to have been a large volume of interest payments to individuals that have not been reported or assessed for income tax. It is now feasible to match up much more information by means of computers with individual tax returns than was previously the case, and we intend to secure more such information, particularly in regard to interest and dividends. I believe that such action will produce a notable increase in our revenues and that it will increase the over-all equity of our tax system.

With the introduction of medical care plans in a number of provinces, taxpayers will no longer have to pay certain medical costs which formerly were classified as medical expenses for tax purposes. I propose that we follow the pattern set in 1959 when hospital insurance was introduced and amend the

Income Tax Act to provide that medical expenses, as defined in the Act, shall not include amounts which are paid on a taxpayers' behalf, or for which he is reimbursed, under a provincial medical care insurance plan which meets the criteria set forth in the Medical Care Act.

The Income Tax Act will be amended to provide that the present non-resident withholding tax on royalties paid by a resident of Canada to a non-resident shall apply to a somewhat wider range of payments. The proposed amendment will be based on the definition of royalties suggested by the O.E.C.D. fiscal committee and used as a model by Canada in several of its international tax agreements.

A further measure is intended to help farmers who have need of more grain storage capacity on their farms. I am thinking in particular of the farmers in Western Canada who will have to store increased amounts of grain this winter and of the corn growers in Ontario. It is proposed that amounts spent to acquire grain storage facilities may be deducted for tax purposes over a short period. This will be done by an amendment to the income tax regulations and will provide that the capital cost of new buildings, structures and bins designed for the purpose of storing grain on a farm, acquired in the period August 1, 1968 to December 31, 1969, may be written-off for tax purposes over a four year period.

I should note at this point that these various changes in the Income Tax Act, other than those on life insurance companies and financial institutions which I have already reported, should increase budgetary revenues by about $10 million in 1969-70. Because of their nature they will not affect the current fiscal year substantially.

Customs Tariff Resolutions

I turn now to the Customs Tariff. I am reintroducing three sets of resolutions which were tabled by my predecessor in the last session of parliament. The first set formed part of the budget speech which was presented to the house on June 1, 1967. In the budget of November 30, 1967, the rates of excise duty on domestic spirits and beer were increased. The second set of resolutions provided for an increase of the same amount in the customs duties on imported spirits and beer. The resolutions of June 1 and November 30 were considered by the committee of ways and means last December.

The third, and by far the largest of these sets of resolutions, were those tabled on November 6, 1967, implementing Canada's commitments, other than those on chemicals and plastics, under the Kennedy Round agreements. The rates set out in these resolutions came into effect on a provisional basis on January 1 of this year. The resolutions were referred to the standing committee on finance, trade and economic affairs. After a series of public hearings the committee recommended them to the house for favourable consideration.

However, parliament was dissolved before they could be enacted and an order in council was therefore passed on April 25 under the authority of section 22 of the Financial Administration Act, continuing in effect the proposed reductions in duty. I announced at the time that collections of the increases in customs duties proposed on a few imported products were being suspended, but that it was the government's intention to ask the next parliament to enact legislation implementing both the reductions and increases, effective from the dates originally proposed in the resolutions. The resolutions I am tabling tonight will, if enacted into law, have this effect.

Chemicals and Plastics

The new resolution which I am introducing this evening flows from the Tariff Board report on chemicals under reference 120. The first volume of the board's report was tabled in the house in June 1966. The revised schedule proposed by the board in this volume formed the broad basis for our Kennedy Round negotiations on chemicals and plastics. In these negotiations the rates of duty on chemicals were "bound" at not more than 15 percent. The plastics rates were, in general, bound at the highest recommended rate within any group of products.

In the Kennedy Round, Canada undertook to introduce the concessions offered on chemicals and plastics not later than July 1. It was not, in fact, possible to implement the proposed new chemical and plastics schedule by that date. Accordingly, it was agreed with our trading partners that Canada could delay putting these concessions into effect to not later than January 1 next. As a result of our negotiations with the United States, which is Canada's major supplier of chemicals and plastics, reductions in the rates of duty on a number of chemicals and plastics in terms of the present tariff nomenclature were made by

order in council for the period July 1 to December 31.

As to the tariff structure proposed by the Board, the industry proposed and the Board recommended the adoption of the so-called Brussels Nomenclature for most of its new tariff schedule. This nomenclature is used by the major trading countries, with the exception of the United States; it is a system for classifying goods in headings which are grouped into chapters and sections. It also contains rules and notes defining the scope and priority of the various headings. The board recommended that these rules and notes be adapted for Canadian use and that the Customs Tariff provide that the governor in council may prescribe such rules and notes.

The schedule proposed by the board is very long. In part this is due to the use of this nomenclature and in part because the Board was directed not to make any general changes in the margins of preference, i.e. in the difference between the British preferential and most-favoured-nation rates of duty. Generally, the present rates are 15 percent B.P. and 20 percent M.F.N. on chemicals of a kind produced in Canada, and Free B.P. and 15 percent M.F.N. for those not produced in Canada. As these chemicals are ruled by the Department of National Revenue to be made or not made in Canada, they automatically move, by this administrative action, from one set of rates to the other.

Accordingly the board, in general, recommended a very long list of chemicals produced in Canada, identified by name, with rates of 10 percent under the B.P. tariff and 15 percent under the M.F.N. tariff, and rates of Free B.P. and 15 percent M.F.N. on the residual tariff items providing for chemicals not produced in Canada. The structure proposed by the board, particularly with regard to the preferential tariff, would be less flexible than the present tariff.

The board's proposals have given rise to many representations urging a less rigid system. I found considerable merit in these representations. It seems to me that both the present flexibility and the results intended by the Board could be brought about in another manner.

I am therefore proposing that a 10 percent B.P. duty be established for certain items in the chemical sector and that parliament grant authority to the governor in council to lower this duty from time to time. This authority would be similar to that set out in the Customs Act to reduce or remove duties on articles used in Canadian manufactures. Thus I am presenting for the consideration of the house a much shorter schedule than that proposed by the board. At the same time I should make clear that, by appropriate orders in council, we will ensure that British goods will face no increases in rates of duty other than those fully consistent with the principles underlying the board's proposals. Moreover, for many products imported from Britain there will be reductions in rates from 15 percent to 10 percent or even lower rates.

A somewhat similar situation exists with regard to plastics. For these products the board recommended a progression of rates, from resins to the more fabricated forms. It named those which it felt should be dutiable because they were made in Canada or were competitive with Canadian made plastics, and proposed residual items free of duty, in most cases, for those not named.

Representations were received to the effect that the Board's proposals provided no assurance of protection when new products are made in Canada. It appears to me that there is validity in this view. On the other hand, it is important to have a procedure for free entry when circumstances warrant, so as to avoid imposing unnecessary costs on Canadian users. Accordingly, I propose that rates of duty higher than those proposed by the board be established for the residual items, and that the governor in council be given authority to waive, reduce or restore these duties. This procedure will permit a shortening of the list of statutory tariff items in the plastics schedule.

• (9:20 p.m.)

I am also recommending a few other departures from the board's proposed schedule, based for some products on new information, on new production in Canada or to meet certain problems not foreseen by the board. All the changes I am proposing are consistent with our international commitments.

It goes without saying that I have received a large number of representations for changes from the board's proposals, many for higher duties which are not being met in the resolutions I am tabling. One I would like to mention in particular relates to the board's recommendation on polyethylene. This is an important issue but I am not willing to propose any changes in the duties on polyethylene as recommended by the board without a

further study by the Tariff Board. Accordingly, I am asking the board for a thorough but prompt review of the current status of polyethylene.

In order to meet our new international obligations our new chemical and plastics tariff must be in effect by January 1 next.

Other Tariff Questions

I have received a number of representations for other changes in the Customs Tariff. However, I have decided that these should be held over for consideration until a later occasion.

I am also tabling a resolution regarding the implementation of our obligations under the "Anti-dumping Code". A proposal regarding a bill to achieve this objective is already before members in the form of a White Paper. I would not suggest that we proceed with this resolution until the standing committee has examined the draft bill. Members will be aware, of course, that we are committed, under the GATT, to revise our anti-dumping procedures by January 1 next.

The changes in the chemical tariffs which I have proposed above and in the anti-dumping duties will have I believe only a minor effect on customs revenues. It is very hard to set a figure on them because of the rather complicated changes in many small flows of import trade that are involved.

Central Fiscal Problem

I return now, Mr. Speaker, to our central fiscal problem and the revenues that we must raise to meet our forecast requirements this fiscal year and next.

In respect of the current fiscal year I have come to the conclusion that tax measures introduced now to secure enough revenue to balance the budget this year would have to be so severe that they would be damaging to the Canadian economy. Therefore I feel we should look ahead to next year and determine what we need, and put it into effect as soon as we can.

The measures I have already outlined should increase our total budgetary revenue for next fiscal year, 1969-70, by $130 million and add $10 million to our extra-budgetary receipts. However, they would leave our budgetary revenues about $710 million short of the initial forecast of aggregate expenditures I made of roughly $11,670 million. Clearly a deficit of this order of magnitude next year is quite contrary to the economic and fiscal policies I believe necessary, and we must raise substantially more revenue to meet it.

In selecting further changes to accomplish this purpose I have in mind that next year we shall be engaged in our major tax reform legislation and will then have in view our requirements for 1970 and beyond. We will be taking into account the fact that our income and corporation tax surcharges of 3 per cent enacted early this year will terminate at the end of 1969. Regard must also be had to the non-recurring revenue effects of the change in timing of the payment of tax by corporations.

Further Tax Measures

In view of this consideration I feel we can secure a part of what we require for 1969-70 by completing the moving forward of the dates of payment of the corporate income tax—bringing it then in line with the current payments on account which we are required to make from wages and salaries. I therefore propose that in taxation years following their next taxation year corporations be required to commence payment of their instalments of tax in the first month of their taxation year to which it relates and complete the instalments in the twelfth month. They will make their final adjusting payment, as now provided, by the end of the third month of the following taxation year. In order to make the transition to this system I propose that corporations be required to pay their instalments of tax in respect of their next taxation year in ten instalments commencing in the third month of the taxation year and terminating in the twelfth month. This acceleration will yield us about $275 million of revenue in the 1969-70 fiscal year. The effects of this acceleration on corporate liquidity will be offset to a significant degree by the completion of repayment of the refundable tax on corporate profits during 1969-70.

The remainder of the additional revenue required I propose to obtain by adding to the Old Age Security Tax on personal incomes an additional similar Social Development Tax at half the rates of the former. This Social Development Tax will be 2 per cent on taxable income up to a maximum tax of $120 per annum. It would go into effect January 1st. I estimate it would add some $55 million to our revenues in the current fiscal year and about $440 million in the next fiscal year.

I gave serious attention to alternative sources of additional revenue, including for example an increase in our general sales tax

which would produce comparable amounts. But I concluded that what I am proposing would be the fairest and best, all things considered, including the desirability of not adding to the rate of increase of prices and costs of production.

I recognize that provincial governments will be concerned about parliament using any form of income tax at this time when clearly the provinces would like to get a larger share of it. I believe however that the total income tax including this addition and the higher rates of provincial tax applicable in Manitoba and Saskatchewan is within the capacity of Canadians to bear.

At this point Mr. Speaker, I would like to have the permission of the house to insert some small tables in *Hansard*. One would illustrate the effect of the new Social Development Tax on the total of taxes on income paid by a married man with two children. The second one gives the estimated yield of our various taxes in the current fiscal year, after taking account of the changes I have proposed. I also include last year's figures for comparison. The third table summarizes our budgetary position for the current fiscal year and for the next fiscal year, taking the revenues from the tax changes into account. I shall also include with the Budget papers at the conclusion of this speech, if the House will agree, tables giving the budget for 1968-69 on a national economic accounts basis and a reconciliation with the budgetary accounts.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

TABLE 1

To Illustrate the Proposed Social Development Tax on Individuals
Married taxpayer—two children eligible for family allowances

Income	Present Tax[a]	Proposed New Social Development Tax
$	$	$
3,500	102	16
4,000	184	26
4,500	275	36
5,000	376	46
6,000	597	66
7,000	842	86
8,000	1,109	106
10,000	1,644	120
15,000	3,294	120
25,000	7,790	120

[a]This is the combined federal and provincial income tax including the old age security tax and the temporary surtax, in all provinces except Quebec, Manitoba and Saskatchewan. The taxpayer is assumed to take the optional standard deduction of $100 in lieu of deductions for medical expenses and charitable donations.

TABLE 2

BUDGETARY AND OLD AGE SECURITY REVENUES
($ million)

	1967–68 Actual	1968–69 (After tax changes)
BUDGETARY REVENUES		
Personal income tax	2,850	3,310
Corporation income tax	1,671	2,020
Non-resident tax	221	230
Estate tax	102	110
Customs duties	746	740
Sales tax	1,601	1,630
Other duties and taxes	826	930
Total taxes	8,017	8,970
Non-tax revenues	1,060	1,135
Total budgetary revenues	9,077	10,105
OLD AGE SECURITY REVENUES		
Personal income tax	800	880
Corporation income tax	150	190
Sales tax	545	555
Total O.A.S. taxes	1,495	1,625

TABLE 3

BUDGETARY REVENUES AND EXPENDITURES

	1968–69 ($million)	1969–70 ($ million)
Budgetary Revenues before Tax Changes	10,050	10,830
Revenues from Tax Changes	55	845
Budgetary Revenues after Tax Changes	10,105	11,675
Budgetary Expenditures	10,780	11,670
Budgetary Deficit (−) or Surplus (+)	−675	+5

Budgetary Position after Tax Changes

As these tables indicate, our position for the current fiscal year, 1968-69, would show total budgetary revenues of $10,105 million and total budgetary expenditures of $10,780 million, leaving a deficit of $675 million. Our net extra-budgetary requirements, apart from exchange transactions, I am now forecasting at $600 million for the year as a whole.

For next year, 1969-70, the tax measures I have proposed should bring the budget into balance. I forecast total budgetary revenues of $11,675 million and budgetary expenditures at $11,670 million. As far as can be estimated at this early stage, on a national economic accounts basis the budget would involve a surplus of roughly $250 million. Our extra-budgetary requirements, apart from foreign exchange transactions, will probably be in the neighborhood of $600-700 million.

In spite of its timing, I think it will be obvious to all, that this is no "baby" budget. It is a new budget, by a new government, but it is not an easy budget. It is one which, I believe, will ensure that we have a sound economic and financial base from which to move forward through a new period of balanced expansion and social progress.

As I have suggested, this is the prospect for the years immediately ahead. Our trained and growing labour force, our resources, our industrial plant and our ability to save, will make it possible to do more and more of the things we recognize as essential and worth while. But there are problems to grapple with, as well as opportunities to seize. The government, through this budget, is preparing to meet both challenges.

With your permission, Mr. Speaker, I should like now to table the resolutions which I propose to move in committee of ways and means. In accordance with the usual procedure, these contain some detailed points which have not been mentioned in the speech and I should like them to be attached as an appendix to today's *Hansard.*

[*Editor's Note: For Ways and Means Resolutions, see Appendix.*]

FEDERAL GOVERNMENT REVENUE AND EXPENDITURE
ON NATIONAL ACCOUNTS BASIS

	1966–67	1967–68	1968–69 Forecast after Tax Changes
	(millions of dollars)		
A. Revenue			
1. Direct taxes, persons	3,153	3,750	4,290
2. Direct taxes, corporations	1,673	1,665	1,915
3. Withholding taxes	205	226	230
4. Indirect taxes	3,648	3,683	3,905
5. Investment income	689	836	915
6. Employer and employee contributions to social insurance and government pension funds	700	723	870
7. Total revenue	10,068	10,883	12,125
B. Expenditure			
1. Goods and services: defence	1,698	1,816	1,820
2. Goods and services: others	2,317	2,572	2,960
3. Transfers to persons	2,573	3,021	3,350
4. Interest on public debt	1,156	1,267	1,440
5. Subsidies	381	395	415
6. Capital assistance	64	72	85
7. Transfers to other levels of government	1,712	2,142	2,490
8. Total expenditure	9,901	11,285	12,560
C. Surplus (+) or Deficit (−)	+167	−402	−435

FEDERAL GOVERNMENT EXPENDITURE

Public Accounts and National Accounts Reconciliation

		1966–67	1967–68	1968–69
		(millions of dollars)		
1.	Budgetary expenditure	8,780	9,869	10,780
	Deduct:			
2.	Budgetary transfers to funds and agencies[1]	−598	−682	−737
3.	Post Office expenditure	−269	−302	−356
4.	Deficit of government business enterprises	− 68	− 85	−106
5.	Reserves and write-offs	−177	− 32	− 91
6.	Purchase of existing capital assets	− 5	− 6	− 9
7.	Budgetary revenue items off-set against budgetary expenditure[2]	−112	−132	− 87
		(−1,229)	(−1,239)	(−1,386)
	Add:			
	Extra budgetary funds expenditure:			
8.	Old Age Security benefits	1,073	1,388	1,542
9.	Unemployment insurance benefits	307	389	454
10.	Government pensions	129	137	152
11.	Prairie farm emergency payments	3	9	7
		(1,512)	(1,923)	(2,155)
12.	Expenditure of government funds and agencies[1]	608	607	728
13.	Miscellaneous[3]	230	125	283
14.	Total expenditure, national accounts basis	9,901	11,285	12,560
15.	Surplus (+) or deficit (−), national accounts basis	+167	−402	−435
16.	Surplus (+) or deficit (−), budgetary basis	−422	−792	−675

[1] In the national accounts, budgetary appropriations to various funds and agencies are replaced by the expend itures actually made by these funds and agencies.

[2] The largest components of this item consist of revenue from sales of goods and services by the government. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

[3] This item includes the supplementary period adjustment. In the national accounts, expenditure on goods and services in the supplementary period are split evenly between adjacent fiscal years; most other expenditure items are shifted entirely to the next fiscal year.

FEDERAL GOVERNMENT REVENUE

PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

	1966–67	1967–68	1968–69 Forecast after Tax Changes
	(millions of dollars)		
1. Budgetary revenue	8,358	9,076	10,105
DEDUCT:			
2. Budgetary return on investment	−519	−612	−685
3. Post Office revenue	−253	−282	−335
4. Other non-tax budgetary revenues	−146	−166	−115
	(−918)	(−1,060)	(−1,135)
5. Corporate income tax, excess of accruals (+) over collections (−)	−70	−156	−295
ADD:			
Extra-budgetary funds revenue:			
6. Old age security taxes	1,286	1,495	1,625
7. Unemployment insurance fund—employer-employee contributions	345	344	411
8. Government pension funds—employer-employee contributions	355	379	459
9. Prairie Farm Assistance Act levies	11	11	11
	(1,997)	(2,229)	(2,506)
Government investment income:			
10. Interest on loans, advances and investments	289	347	373
11. Interest receipts on social insurance and government pension funds	206	235	258
12. Profits before taxes (net of losses) of government business enterprises	194	254	280
	(689)	(836)	(915)
13. Miscellaneous [1]	12	−42	29
14. Total revenue national accounts basis	10,068	10,883	12,125

[1]These miscellaneous adjustments represent revenues from miscellaneous direct and indirect taxes and adjustments for the supplementary period. In the National Accounts, revenues in the supplementary period are shifted into the following fiscal year.

• (9:30 p.m.)

Hon. Marcel Lambert (Edmonton West): This afternoon, Mr. Speaker, a great deal was said about a roster. Then, somebody had something to say about a rooster. Now I am going to talk about a roost, the ones on which the chickens have come home to roost. Today has been a very eventful day for those of us who live in North America. Down in Mexico City the finals of the Olympics have been drawing attention. There was a splashdown ending the latest example of advanced space travel. The three intrepid astronauts circled the globe and re-entered the atmosphere to land at a predetermined spot, under control. Here in Canada we have had our 1968 budget, which has proven the reverse, that federal government expenditures are still in orbit and all out of control.

[Mr. Benson.]

Now, Mr. Speaker, I was talking about those chickens coming home to roost. These chickens all started on their way in those erratic, desperate days in June and July of 1963 when we had the notorious "60 days of decision." We know that the budget proposals of the former member for Davenport were those—

Some hon. Members: Hear, hear.

Mr. Lambert (Edmonton West): I wish that hon. members would consult the Postmaster General (Mr. Kierans). We all know what his reaction was on that occasion. He made a personal pilgrimage to Ottawa, from his position as revenue minister in Quebec, to protest in wrath and anger against the rather foolhardy proposals of the then minister of finance. He even went to the extent of writing to the President of the United States and the

Secretary of the Treasury protesting this nefarious act. Well, the reactions of the United States government—

Mr. Kierans: Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Lambert (Edmonton West): If the former member for Davenport were here, wouldn't he make a strange bedfellow with the Postmaster General.

Mr. Speaker: Order, please. The Postmaster General is rising on a point of order.

Mr. Kierans: All I want to say, Mr. Speaker, is that I have come home to roost.

Mr. Lambert (Edmonton West): I suppose, Mr. Speaker, in the spirit of the evening I might answer, as my colleagues have suggested, in the words of Winston Churchill, "Some chicken; some neck!" In any event, what we saw tonight was a savage budget. There must be a horrendous deficit when it has to be made up in a period of 18 months. I recall the present Minister of Finance (Mr. Benson), then president of the treasury board, standing in his place and boasting that they were going to balance the budget. They had computers, and everything was going to go so much more nicely. The other day, however, the President of the Treasury Board (Mr. Drury) had to announce there was somewhat of a shortfall in their estimates of expenditures—about $600 million. This is rather strange, in light of the progress payments being made to the provinces for these shared programs. Apparently the computers were out to lunch, or the people who were manning them were out to lunch. After all, no computer is any better than the brains and the hands setting up the program.

So, Mr. Speaker, we are now getting a figure of approximately $670 million, not $400 million, for the deficit. Of course we have not said anything about Expo; that is going to be paid for some time. In so far as inflation is concerned, the minister tonight read us some homilies in economic theory on priorities in all the things that a prudent government must do. But surely we should be in a position to believe the minister. Is this a Saul converted on the way to Damascus? After all, this is a very bitter pill that he is asking the Canadian public to swallow over the next 18 months, in order to cover this extremely large deficit.

Why has it come about? Back in 1964 and 1965, when the minister and the Prime Minister (Mr. Trudeau) were members of the administration, my leader, as premier of Nova Scotia, on repeated occasions spoke about priorities. The Hon. Duff Roblin, premier of Manitoba at the time, spoke about priorities in the fields of health, education and social welfare. Time and time again I spoke about the importance of this matter, but the prime minister of the day scoffed. The present Secretary of State for External Affairs (Mr. Sharp) paid a little more polite attention when he was minister of finance. We got a grudging acceptance of the fact that inflation had become a major problem.

• (9:40 p.m.)

We are now told, Mr. Speaker, that this is Canada's prime problem today. Where did all this inflation start? Let us just look at the minister's tables. If we go back to April 1963 we find that the cost of living index was 132.3. Last August it had gone to 153.6, a matter of 21.5 points in five years. Do we wonder, Mr. Speaker, that bond prices have gone to the bottom? If hon. members would only consult the weekly Bank of Canada charts of long term interest rates and short term bills they will see that interest rates are at their highest level ever. This so-called softening of the interest rates of past weeks has now started to reverse itself.

The Canada Savings Bonds offer that is now being made is baited with a ruinous rate as far as the government is concerned. The government of Canada must borrow money at the rate of 7 per cent per annum, Mr. Speaker. Why? It is not to get new money but merely to stop the cashing in of old bonds.

With regard to government expenditure, when this administration's predecessor took over in 1963 the total level of federal government expenditure was $6.3 billion. In 1967 it was $10,671 million, and for 1969-70 the expenditure is estimated at $11,670 million. If expenditures keep going up at that rate they will have more than doubled in the period 1963-1971. In a short period of eight years federal expenditure will have more than doubled.

We saw a budgetary deficit last year, Mr. Speaker, of $870 million. This year it will be $730 million. There is going to be a further budgetary deficit over the following year because the cushion of $5 million is a mere drop in the bucket as a margin. Any little change in the economic climate can result in a substantial deficit.

In addition, the minister did not talk tonight about those refinancing requirements for which he is going to go to the money market. The minister talks about going to the market to finance deficits of $600 million and certain cash requirements. His own budget papers indicate that in fiscal year 1969 he is going to go to the market for $1,700 million of refinancing; and for the balance of this fiscal year, including the Canada Savings Bonds, he has to find another $835 million before April 1, 1969.

We should like to touch upon all of the matters that appear in this rather complicated budget, Mr. Speaker, which does require some care to follow through—for example, the estate tax changes, the gift tax changes, the taxes on life insurance companies and on financial institutions, the Customs Tariff and the income tax changes. I would simply at this point compliment the minister on the estate tax changes, the gifts between husband and wife and the question of annuities to husband and wife. I think there were some anomalies that were unjust in that regard.

However, Mr. Speaker, we are going to have a lot to say about the 2 per cent social development tax. For one thing, it is applied across the board. It does not matter whether one earns $3,500, $15,000 or $25,000, the rate is the same. As a matter of fact, for a person with a taxable income of $10,000 and who has a maximum ceiling of $120 per annum, the rate is much less than 2 per cent. So we see how this just society concept works in regard to this 2 per cent surtax. "It does not apply", says the Prime Minister.

Mr. Trudeau: No, I did not say that.

Mr. Lambert (Edmonton West): The just society has gone out the window. We will also have to see what the public reaction is in the various provinces. This tax is to cover the cost of medicare. This is the first instalment; next year there will be another one, if medicare is continued in its present form. Many of the provinces have stated that they are not going to come into the scheme. We will have to see what this conference between the Prime Minister and the provincial premiers will bring about on the question of medicare.

I would suggest to the Prime Minister that there are sufficient people to make it renegotiable on terms set out by the federal government, because we know that the provinces do have the right and the responsibility for medical care. Those people who have participated in longer term employment contracts

—that is, negotiated contracts—and those under longer term insurance contracts for medical plans will all pay this additional tax. They are still caught by their contracts, so they are going to pay twice for the same service.

I think there could have been a much more effective way of dealing with this whole problem, Mr. Speaker. However I will reserve that for some further comments that I will have to make. You will understand, Mr. Speaker, that I too have fallen victim to a certain virus, and under the circumstances at the present time I would simply adjourn the debate.

On motion of Mr. Lambert the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, under the circumstances I wonder whether we might call it ten o'clock and also suspend for this evening the proceedings under standing order 39A.

• (9:50 p.m.)

Mr. Baldwin: Mr. Speaker, I wonder if the government house leader could give us some indication of the business for tomorrow and, after what we have heard, possibly give some ray of hope to our farmers by bringing forward farm legislation tomorrow.

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. The farm legislation will come forward just as soon as the Post Office Act is passed.

Mr. Speaker: I understand the minister has also suggested that we suspend with proceedings under standing order 39A. I wonder if there is unanimous agreement on this point?

Mr. Stanfield: One moment, please.

Mr. Speaker: Order, please. There seems to be no unanimous agreement to suspending proceedings under standing order 39A.

Mr. Lundrigan: Mr. Speaker, I thought that, since certain questions asked of the Minister of Fisheries were not deemed to be urgent, there would be an opportunity to raise the matter again this evening.

Mr. Speaker: I think I should bring to the attention of hon. members that apparently there is no unanimous agreement to suspending with proceedings under standing order 39A. I shall therefore put the question for adjournment, subject to the consideration of matters to be discussed under that standing order.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order 39A deemed to have been moved.

FISHERIES—MANAGEMENT OF CANADA'S FISHING RESOURCES—CONTINENTAL SHELF

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, this afternoon I asked the Minister of Fisheries when he would make a statement to clear up a misunderstanding that has arisen on the east coast with respect to statements that have been made about territorial limits and fisheries policies. I was dissatisfied with the minister's reply. He said he would make a statement at some appropriate time. After tonight's budget speech I consider it most important to hear a statement from the minister, and I feel we cannot wait until later to get some response from him pertaining to Atlantic fisheries.

On September 16 the hon. member for South Shore (Mr. Crouse) asked the Minister of Fisheries when a statement would be made on this matter, and at that time he said it would be as soon as he got around to it. Those remarks are found at page 44 of *Hansard*. At page 48 of *Hansard* for the same date will be found the question I raised as to the abandonment of the salt rebate. The minister said that program had been abandoned because other programs were to replace the need for what were termed bandaid programs. We also heard quite a bit from the Minister of Defence Production (Mr. Jamieson), who is in the house with us again this evening. I welcome him back after his long absence. He said that in the fisheries generally we needed long term policies and programs. Nobody disagreed with that and on September 20 the minister indicated that a long term program would be announced shortly in the house.

Today when I raised the matter with the Minister of Fisheries he said that at the appropriate time a statement would be made.

Mr. MacInnis (Cape Breton-East Richmond): I rise on a question of privilege, Mr. Speaker. May I ask the Minister of Fisheries why Liberal members have all but withdrawn from the house at this time? I see only three Liberal members, including one minister, and there seems to be some activity behind the curtain.

Mr. Monteith: Hear, hear.

The Acting Speaker (Mr. Béchard): Order, please. Hon. members must know that there cannot be any question of privilege during the late debate.

Mr. MacInnis (Cape Breton-East Richmond): With respect, on what rule is that decision based? Why can there be no question of privilege when the government withdraws its supporters from the house?

Mr. Perrault: There has been no such action by the government. I am a government supporter and no such instruction has been given.

The Acting Speaker (Mr. Béchard): Order, please. It has been the practice of this house under the provisional rules not to have points of order raised during this debate.

Mr. MacInnis (Cape Breton-East Richmond): I wish to know why Liberal members sitting on both sides of the house have withdrawn from the house. There seems to be something deliberate about that.

Mr. Perrault: That is a false accusation.

Mr. MacInnis (Cape Breton-East Richmond): Then why are there only three members remaining?

The Acting Speaker (Mr. Béchard): I point out to the hon. member that the question by the hon. member for Gander-Twillingate was to the Minister of Fisheries, and that minister is in the house. The hon. member for Gander-Twillingate.

Mr. Lundrigan: Mr. Speaker, the behaviour of government members this evening exemplifies the government's attitude towards the Atlantic fishery. The point I wish to make is that our Atlantic fishery, which is so important to the entire economy of Canada has been completely ignored by the present government. A number of hon. members have risen in this chamber on a number of occasions and directed questions to the government. Most hon. members from Newfoundland and most from the Atlantic region who have anything to do with fisheries have raised this matter in the house and been answered with laughter, with a shrugging of shoulders, and with the suggestion that the entire business of fisheries is to be taken as a joke. I say that unless the government takes a hard look at the Atlantic fishery hundreds of thousands of people in the Atlantic region will suffer, because we shall lose one of our basic industries in Canada.

Several hundred years ago the Europeans began developing our nation by exploiting the

Atlantic fishery. From 1867 until 1949, when we became part of Canada, we in our part of Atlantic Canada received more attention from European nations with respect to our Atlantic fishery than we have received from Canada. That is why I take exception to the minister's attitude that we must wait until tomorrow, next week or next year before we obtain some recognition of our problems. We have been disappointed by the government's response to our need, not because we think we are entitled to preferential treatment, but because we feel that the Atlantic fishery ought to be saved and ought to become a great contributing factor to the well-being of the entire Canadian economy.

In Boston last week the Minister of Fisheries indicated that the government would not continue to prop up the Atlantic fishery. We are not looking for handouts. The attitude in this country that a fishery is something to be subsidized, to be propped up as a second class, inferior industry has continued so long that we are almost ashamed to stand up and talk about the Atlantic fishery. That attitude is prevalent on the government side of the house.

By that I do not mean to criticize the minister. We have had conversations with him and are satisfied that he is taking the problem of the Atlantic fishery seriously.

Mr. Perrault: Hear, hear.

Mr. Lundrigan: But we are not so sure that that attitude is shared by his other colleagues on the government side.

I could become parochial and say that there are 25,000 fishermen in Newfoundland alone, to say nothing of the other fishermen in the rest of Atlantic Canada, who must receive government assistance or give up fishing. I am talking about professional fishermen who would find it difficult to enter other fields because fishing is their livelihood.

We feel there is something radically wrong when the ships of European countries can cross the Atlantic and exploit our fishing resources on our doorstep at a time when our entire fishing industry is in danger of failing. For those reasons I will not accept an answer from the minister tomorrow, next week or next year. We should like to hear an answer with respect to fishery policies now.

• (10:00 p.m.)

Hon. Jack Davis (Minister of Fisheries): First, I should like to congratulate the hon. member upon the energetic way in which he has put forward the case for a clear cut policy in the fisheries area. As a new minister, I have been impressed by the problems the industry faces. I have also been impressed by the amount of assistance the industry receives. I think this assistance is well placed, but it is considerable. For example, I find that the budget of the fisheries department is $50 million and that the gross value of the fisheries is of the order of $300 million. So the assistance actually amounts to about one dollar in six—in some areas it is substantially more than that. And when I say that the assistance given through the department is $50 million, I am not taking into account unemployment insurance payments, and so on. Obviously the government of the day is spending a good deal of the taxpayers' money in support of the fisheries. I think much of this money is well spent, particularly in the fields of conservation, research and the development of new plants and processes.

I would not like to leave the impression that the fisheries are uniformly in difficulty and throughout the Atlantic region. I think there is a great deal to be said in support of the contention that the fisheries are doing pretty well in 1968. Salt cod is an exception. However the federal government has taken the surplus from 1967, the carry-over from last year, and is considering what to do about selling cod produced in 1968. One of our problems concerns quality—our salt cod is not as acceptable to countries like Spain and Portugal as it was some years ago. We have to maintain quality as well as quantity if we are to regain our markets. My general expectation in connection with salt cod is that there will be as much marketed for a number of years to come as has been marketed in the past. But it is our job to make sure that we keep our share of the market, and quality is our problem here.

As to fresh and frozen fish, volume is up as compared with last year by about 24 per cent, that is, to the end of September. Volume in other words is up, while prices are being maintained to our fishermen. On this basis the incomes of fishermen must be higher this year than last year—and 1967 was a record year for Atlantic fishermen.

Thus, while the industry is encountering difficulties and is faced with declining markets, particularly in the United States, volumes are up and incomes are being maintained. I do not want to appear self-satisfied about this. We do need a fundamental policy; we need a policy which does not involve per-

petual support, and which will stand up against the criticism of importing countries such as the United States, which will raise its duties against us if we continue to subsidize any industry, and this includes the fisheries.

FISHERIES—INQUIRY AS TO DEFICIENCY PAYMENTS

Mr. Walter C. Carter (St. John's West): This afternoon I asked the Minister of Fisheries (Mr. Davis) whether he had any plan to help the Canadian commercial fishing industry to make a profit for the Canadian economy as a whole, and whether he now considered the industry to be a net burden on the Canadian economy. In Your Honour's wisdom, you ruled the question out of order, and in view of the urgency of the matter I asked that it be debated at this hour.

First, I should point out to the minister that every fresh fish company in Newfoundland this year, with one exception, lost money. One fresh fish company made money. I should also point out to the minister that Newfoundland fishermen are now receiving exactly one half of what they received last year for their salt cod.

If he can get up in this house and say that the Atlantic coast fisheries are in good order, then I am afraid I cannot agree with him. As I said before, our fishermen are now receiving one half of what they received last year for their salt bulk fish. I might also inform the minister and this house that at present the Newfoundland fishermen have tens of thousands of salt fish in their possession and are unable to find buyers for them, even at the ridiculous prices that are being offered. I do not think this is indicative of a healthy fishing industry in the Atlantic provinces.

I have been in this house since September 12 and I do not mind saying I am getting a little sick of the attitude, by certain members of the government, with regard to the fishing industry in Newfoundland and in the Atlantic provinces generally. I agree with the previous speaker that the fact that only two or three government members have seen fit to remain in the house to hear us discuss this very important problem is indicative of their lack of interest in the fishing industry of this country. As a Newfoundlander I take strong exception to this. I take strong exception to the fact that government members have not seen fit to remain here and hear us speak of our problems.

I have talked to the secretary general of the Federation of Fishermen, P. J. Antle, who I am sure is known to the Minister of Fisheries and to my hon. friend, the Minister of Defence Production. I am told by Mr. Antle, who has a complete knowledge of the fishing industry in Newfoundland, that this will be the worst year yet for our fishermen since confederation. I am told by this gentleman that in the light of what has been happening in the past few years it will take a miracle to stave off disaster in the Newfoundland fishing industry.

The federal assistance that was granted earlier this year will only delay the execution. Many fish plants are still in grave danger of closing. The same situation will prevail next year. What it adds up to is that the government is pouring millions of dollars into a bottomless pit. If, sir, this assistance is discontinued, as I believe the minister suggested in a speech in Boston, many fish plants in Newfoundland will be forced to close operations, with the result that 70,000 Newfoundlanders, 70,000 fellow Canadians of flesh and blood, who have the same desire to keep body and soul together as do the wheat farmers, corn farmers and white collar workers—these 70,000 new Canadians and their dependants will have to apply for relief to keep body and soul together. This is a sad commentary on Liberalism and on the federal government.

Mr. Jamieson: Would the hon. gentleman permit a question?

The Acting Speaker (Mr. Béchard): Order.

Mr. Carter: It is obvious that in the fishing industry in Newfoundland and the Atlantic provinces generally we have reached a dead end. I have seen this in a large part of my riding. As the minister knows, fishing is most important to it. I have seen men come in from a day's fishing on the fishing grounds where they face the perils of the north Atlantic. Theirs is not an easy job; it is not a white collar job by any means. It takes guts, bravery and initiative to be a fisherman. I have seen these men come in with nothing, after being out on the fishing grounds for seven or eight hours. I do not think it is right that these people should have to go through these experiences. They are flesh and blood. They are entitled to their place in the sun and to their share of the so-called affluent society that we now boast of in Canada.

Proceedings on Adjournment Motion

• (10:10 p.m.)

I do not understand how Canada can boast of having a flourishing economy and a good society when a large number of our people—a large number of my people—are forced to suffer these hardships and the insecurity they must suffer because of the state of the fisheries. I am not wishing to make this into a political move on my part, but I would ask the Minister of Fisheries in all sincerity that he and the government take a stand on the Newfoundland fishery and the Atlantic coast fishery in general. I think our fishermen deserve this. I believe they should have it.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I do not doubt the sincerity of the hon. member when he says that this year was the worst year for the fishermen in Newfoundland since Confederation. However, I do not agree with his statement. I would say that there are problems and there certainly is a problem in the salt cod fishery as he has stated.

As I said before the main problem is marketing. It is partly a problem of quality. The total demand for salt cod around the world is unabated; it has not been declining. We are not witnessing a long term decline in the quantity of salt cod demanded by offshore markets. But here is an industry, principally in Newfoundland, which is dependant on an offshore market, and an offshore market which is seriously affected by devaluation. Prices have dropped as a result of devaluation.

I also understand that in some countries like Norway there has been more diversion of cod from fresh and frozen products to salt cod production and, therefore, to the salt cod market. These countries have been picking off many of the top grade, high quality, top price markets, particularly in western Europe. I mentioned Portugal and Spain earlier. These are examples.

We have a marketing problem. We certainly have a price problem and a quality problem. This spring the federal government moved to reduce the problem by taking off the hands of the trade about 20 per cent of last year's record production. There was a remarkable production in 1967, and there was roughly a 20 per cent carryover last May. That has subsequently been picked up; $2 million was set aside for this purpose. Only $1½ million worth was left. This was taken off the market and some of it is on its way to Biafra.

[Mr. Carter.]

A long term policy, not a stop gap policy, is requested. I know there are continuing needs in Biafra and in other parts of the world. The protein content in dried salted cod is high. Salt cod is in demand because it is most acceptable from a food aid point of view. So, perhaps we can count on food aid programs to take some of our surplus off the market. This is a stop gap solution, and not a long term solution to the problem. I think that the members of the opposition, certainly the six members from Newfoundland, should also get together and give some thought as to how this problem might be solved on a long term basis.

I believe the problem is largely one of quality. Personally I think we must do something about marketing in a more concerted way.

The Acting Speaker (Mr. Béchard): Order.

[*Translation*]

HEALTH AND WELFARE—ALCOHOLISM—FEDERAL PARTICIPATION IN STUDIES

Mr. André Fortin (Lotbinière): Mr. Speaker, I recently directed to the Minister of National Health and Welfare the following question:

Can he tell us whether any division of his department is considering now or will consider in the near future the possible participation of the federal government, at the information level, in the serious problem of alcoholism in Canada?

Mr. Speaker, it is not my intention, in raising this matter tonight, to criticize the government concerning alcoholism. I merely want to draw the minister's attention to this serious problem which is nation-wide but has never received a nation-wide solution. I am not asking for a statement justifying the past inaction of the government in that field, but rather an undertaking that in the future, some branch or other of his department will consider the possibility of providing some assistance.

Mr. Speaker, alcoholism is an acute social problem. It entails a considerable waste of money, it brings about a great number of industrial accidents and traffic casualties, it gives rise to many family conflicts and quarrels between husband and wife and is often the source of juvenile delinquency. This evil affects every area of the country and all classes of society. It is widespread, since the present number of alcoholics has been estimated at more than 250,000 in Canada.

In addition, it must be kept in mind that according to the experts in that field, every alcoholic does harm an average of five persons around him. If one multiplies by 5 the 250,000 alcoholics found in Canada one gets some idea of the extent of alcoholism now considered a national scourge.

Alcoholism is the only evil which harms man both spiritually and bodily. A man who, after over-indulging in liquor for a certain period of time, finally becomes enslaved to the habit, deteriorates in every way, physically, psychologically, socially and morally. His health is more or less ruined, his psychological resistance weakened to the point where he is no longer able to assume the smallest responsibility. He has gradually isolated himself from his surroundings.

From another point of view, Mr. Speaker, we see the federal government, like other governments, drawing a great deal of money from the sale of liquor in Canada. For example, an article published in *Le Devoir* on October 17, 1968, said:

The beer industry—

This only concerns beer, not wine or liquor.

—has paid close to $250 million in taxes.

In 1966, the hon. member for New Westminster (Mr. Mather) asked the Minister of National Health and Welfare whether the federal government had spent money to fight alcoholism in Canada. As shown on page 3047 of *Hansard* for March 23, 1966, the minister answered as follows:

In so far as the Department of National Health and welfare is concerned, expenditure on promotion of temperance and supporting antialcoholic programs was nil.

Mr. Speaker, the dangers of alcoholism in Canada are constant and increasing, for there are, as I said earlier, about 250,000 alcoholics in Canada, not counting about 235,000 heavy drinkers.

• (10:20 p.m.)

I ask the Minister of National Health and Welfare if he plans to launch a federal campaign on education or an information campaign on temperance and the dangers of alcoholism?

Mr. Speaker, I feel that we should assume our responsibilities in that field. Not that I am blaming the present Minister of National Health and Welfare. I know he is a responsible man and I want to congratulate him on his work. But I would like him to do everything in his power to urge the provincial governments to co-operate with the federal government in finding a solution, not merely a partial but a national overall solution, to fight efficiently the excessive use of alcohol.

Mr. Speaker, has any organization concerned with alcoholics made any similar request to the government? There again, I do not ask the minister to give me an immediate reply. I merely ask him to look into the matter thoroughly and encourage the members to develop an interest in it.

Is there a division within the Department of National Health and Welfare which deals with the causes or effects, or both, of alcoholism? If not, as I suspect, will there be in the near future? Does the government consider that the present number of alcoholics is a cause for alarm? There is another question we must look into. We must take a closer look—and I suggest this is urgent, Mr. Speaker, at the definite relationship between the rate of criminality, especially among young people, in Canada and the rate of alcohol consumption, as the two ills have the same cause. I have met several experts on the matter with whom I have had the opportunity of going into the question. I was able to ascertain there does exist a close relationship between the increase in the amount of alcohol imbibed and the growing rate of criminality in Canada.

I therefore think that it is up to the government, in order to tackle seriously the problem of juvenile delinquency in Canada, to protect Canadian consumers against a blatant publicity more or less organized. If the government takes to heart the well being of the population of Canada, I think it should include in its program, in co-operation with the provinces, an information system set on a national scale forewarning people of the damages alcoholism can bring to society and to individuals.

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, there is no question but that the observations of the hon. member for Lotbinière with reference to how serious the problem of alcoholism is are quite correct. As the hon. member knows, we do support the provinces in the general health area through health grants, which in the past have totalled some $40 million a year. I think that to some degree this should enable the provinces to do more work in this particular area. I know also that not only are some provincial governments looking into this

problem—and they too receive considerable revenue from the sale of liquor—but that many municipalities and other organizations are contributing to the efforts necessary to combat excessive alcoholism.

The degree to which the federal government can support this fight at the national level is questionable, in view of the priorities we already have. Certainly within our own department I refer to such problems as the dangers of smoking, drug abuse and many others. At this time I do not foresee that over the span of the next year we will be able to expend considerable sums of money to begin a promotional and educational program of the magnitude necessary to have any real impact in this area. This may be regrettable, but unfortunately it seems to be the case. In no way does it indicate that we in the department do not regard the problem with the degree of seriousness that the hon. member does. We do; we think it is a very serious problem indeed. We hope that later on we will be able to get together with the provinces on this question and perhaps make a more meaningful contribution toward combating excessive alcoholism.

Apart from the contributions I have mentioned in the way of health grants, which I quite agree do not specifically go toward combating alcoholism, we have recently contributed $15,000—which I agree is a very small sum indeed—toward the administration and maintenance of the principal organization in the country that is combating alcoholism. This year they have requested an additional $10,000, a request which we have under consideration at the present time.

The Acting Speaker (Mr. Béchard): Order. Pursuant to provisional standing order 39A the motion to adjourn the house is now deemed to have been adopted. Accordingly this house stands adjourned until 2.30 p.m. tomorrow.

Motion agreed to and the house adjourned at 10.25 p.m.

House of Commons
CANADA

WAYS AND MEANS

BUDGET RESOLUTIONS

Presented to the House of Commons

by

The Honourable Edgar J. Benson

Minister of Finance

Tuesday, October 22, 1968.

29180—108

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CUSTOMS TARIFF

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

1. That Schedule A to the *Customs Tariff* be amended by striking out tariff items 20925–1, 21045–1, 22001–1 and the heading thereto, 22002–1 and the heading thereto, 22003–1 and the heading thereto, 26325–1, 40938–1, 42761–1 and the heading thereto, 42762–1 and the heading thereto, 44043–1, 44047–1, 47600–1, 56400–1, and 69315–1 and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
3805–1	*Yeast, n.o.p.*	5 p.c.	10 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
15640—1	*Tequila ... per gallon of the strength of proof*	$5.00	$5.00	$10.00	$5.00	$10.00	$10.00
	and in addition thereto, under all tariffs, $9.00 per gallon of the strength of proof						
	When the goods specified in this item are of greater or less strength than the strength of proof, the measurement thereof and the amount of duty payable thereon shall be increased or decreased in proportion for any greater or less strength than the strength of proof.						
20925–1	Potassium chloride ... (Applicable to December 31, 1968)	Free	Free	25 p.c.	Free	Free (Applicable to December 31, 1967)	25 p.c.
21045–1	Sodium hypochlorite in solution ... (Applicable to December 31, 1968)	15 p.c.	20 p.c.	30 p.c.	15 p.c.	20 p.c. (Applicable to December 31, 1967)	30 p.c.

22001–1	All medicinal and pharmaceutical preparations, compounded of more than one substance, *whether or not containing alcohol*, including patent and proprietary preparations, tinctures, pills, powders, troches, lozenges, filled capsules, tablets, syrups, cordials, bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters, essences and oils..	15 p.c.	15 p.c.	25 p.c.	17½ p.c. 17½ p.c. 25 p.c.	20 p.c. 20 p.c. 25 p.c.	25 p.c. 40 p.c. 60 p.c.
	Any article in this item containing more than forty per cent of proof spirit shall be rated for duty at .....per gallon and	$1.50 15 p.c.	$1.50 15 p.c.	$2.00 25 p.c.	$2.00 20 p.c.	$2.00 20 p.c.	$3.00 30 p.c.
22003–1	*Drugs, n.o.p.*.....	15 p.c.	15 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
26325–1	Compounds of tetramethyl lead, in which tetramethyl lead is the preponderant constituent by weight..... (Applicable to December 31, 1968)	12½ p.c.	12½ p.c.	25 p.c.	12½ p.c.	12½ p.c. (Applicable to December 31, 1967)	25 p.c.
35240–1	*Moulded shuttle blanks, not further manufactured than moulded, with or without metal tips, for use in the manufacture of shuttles*.....	10 p.c.	10 p.c.	30 p.c.	10 p.c.	10 p.c.	30 p.c.
40938–1	Internal combustion tractors other than highway truck-tractors *and other than the following integrated self-propelled machines: front-end loaders or tractor shovels, tractor dozers, log skidders, log loaders, fork lift or lift trucks, combination excavating and transporting scraper units, combination excavating and loading machines, street sweepers, mobile compressors, and snow moving machines;* accessories, n.o.p., and parts thereof, for tractors *entitled to entry under this item;* parts of *tractors entitled to entry under this item*.....	Free	Free	Free	Free	Free	Free

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
42711-1	*Integrated self-propelled machines commonly known as front-end loaders or tractor shovels; parts of the foregoing*	2½ p.c.	15 p.c.	35 p.c.	Free 10 p.c.	Free 22½ p.c.	Free 35 p.c.
	Machines and tools, including blades, loaders, rippers, rakes and related operating and controlling gear; all the foregoing for use on internal combustion tractors *entitled to entry under tariff item 40938-1:*						
42761-1	Of a class or kind made in Canada; parts thereof	10 p.c.	22½ p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
42762-1	Of a class or kind not made in Canada; parts thereof	Free	7½ p.c.	35 p.c.	Free	7½ p.c.	35 p.c.
	Aircraft, not including engines, under such regulations as the Minister may prescribe:						
44043-1	When of types or sizes not made in Canada	Free	Free	27½ p.c.	Free	Free	27½ p.c.
	on and after July 1, 1968	Free	15 p.c.	27½ p.c.	Free	15 p.c. (on and after July 1, 1967)	27½ p.c.
	Aircraft engines, when imported for use in the equipment of aircraft:						
44047-1	When of types or sizes not made in Canada	Free	Free	27½ p.c.	Free	Free	27½ p.c.
	on and after July 1, 1968	Free	15 p.c.	27½ p.c.	Free	15 p.c. (on and after July 1, 1967)	27½ p.c.
46241-1	*Microfilm reader-printers and parts thereof*	Free	Free	10 p.c.	2½ p.c.	15 p.c.	30 p.c.
47600-1	Surgical and dental instruments of any material; surgical needles; clinical thermometers and cases therefor; X-ray apparatus and X-ray film; microscopes valued at not less than fifty dollars each, retail; parts of the foregoing; electric light lamps designed for use with the foregoing	Free	Free	Free	Free 10 p.c. Various	Free 22½ p.c. Various	Free 35 p.c. Various

56400-1	Church vestments, prayer shawls, prayer shawl fringes and prayer shawl bags; *parts thereof*.....	10 p.c.	10 p.c.	20 p.c.	10 p.c. 20 p.c. 25 p.c. Various	10 p.c. 27½ p.c. 25 p.c. Various	20 p.c. 50 p.c. 35 p.c. Various
69315-1	Antiquities (other than spirits or wines) produced *more than one hundred years* prior to *date of importation*, under such regulations, including proof of antiquity, as may be prescribed by the Minister.....	Free	Free	Free	Free Various	Free Various	Free Various

2. That Schedule B to the *Customs Tariff* be amended by striking out item 97052-1 and the enumeration of goods and the rate of drawback of duty set opposite that item, and by inserting therein the following item, enumeration of goods and rate of drawback of duty:

Item No.	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
97052-1	Machines, precision instruments, apparatus, and control panels therefor; all of the foregoing of a class or kind not made in Canada; accessories and attachments for use with the aforementioned machines, precision instruments and apparatus; parts of all the foregoing, not including consumable tools.	When used (*a*) in the plants of manufacturers of motor vehicles, motor vehicle parts, *or motor vehicle accessories and parts thereof* for the manufacture of motor vehicles, motor vehicle parts, *or motor vehicle accessories and parts thereof;* or (*b*) for the manufacture of: (*i*) dies, jigs, fixtures, moulds, *and patterns therefor;* (*ii*) *cutting tools and parts thereof, for use with machines;* *all of the foregoing for use* in the production of *motor vehicles*, motor vehicle parts, *or motor vehicle accessories and parts thereof*.....	99 p.c.

3. That Schedule C to the *Customs Tariff* be amended by striking out item 99204-1 and the enumeration of goods set opposite that item, and by inserting therein the following item and enumeration of goods:

99204-1	Oleomargarine, butterine or other similar substitutes for butter, and process butter or renovated butter, *unless in any particular case or class of cases exempted from the provisions of this item by a regulation of the Governor in Council.*

4. That the *Customs Tariff* be amended by adding thereto a section as follows:

18. *There shall be levied, collected and paid as a Customs duty on all goods hereinafter enumerated in this section when imported into Canada or taken out of warehouse for consumption therein, in addition to the duties otherwise established, an amount determined as follows:*

(*a*) *in the case of goods enumerated in tariff items 15605-1, 15610-1, 15615-1, 15620-1, 15625-1, 15625-2, 15630-1, 15635-1 and 15640-1, one dollar and twenty-five cents per gallon of the strength of proof; and*

(*b*) *in the case of ale, beer, porter and stout enumerated in tariff item 14700-1, four cents per gallon.*

5. That subsection (1) of section 2 of the *Customs Tariff* be amended by adding thereto, immediately after paragraph (*m*) thereof, the following paragraphs:

(*n*) *"wire"*

(*i*) *when applied to copper or copper alloys containing fifty per cent or more by weight of copper means*

(*A*) *a drawn, non-tubular product of any cross-sectional shape, in coils or cut to length and not over 0.50 inch in maximum cross-sectional dimension, or*

(*B*) *a product of solid rectangular cross-section in coils or cut to length, cold-rolled after drawing and not over 1.25 inches in width nor over 0.188 inch in thickness,*

(*ii*) *when applied to aluminum or aluminum alloys means a non-tubular product of rectangular or square cross-section (whether or not with rounded corners), or of round, hexagonal or octagonal cross-section, in coils or cut to length and not over 0.50 inch in maximum cross-sectional dimension, and*

(*iii*) *when applied to metals other than iron, steel, copper, copper alloys containing fifty per cent or more by weight of copper, aluminum or aluminum alloys means a drawn, non-tubular product of any cross-sectional shape, in coils or cut to length and not over 0.50 inch in maximum cross-sectional dimension; and*

(*o*) *"wire of iron or steel" means a drawn, non-tubular product of iron or steel*

(*i*) *if in coils, with any cross-sectional shape or dimension,*

(*ii*) *if in straight cut lengths, with a maximum cross-sectional dimension of 0.50 inch, or*

(*iii*) *if cold-rolled flat after drawing, with a maximum width of 0.50 inch, in coils or in straight cut lengths.*

6. That section 13 of the *Customs Tariff* be amended by repealing subsection (1) of section 13 thereof and by substituting therefor the following:

13. (1) The Minister may order

(*a*) that in lieu of the ad valorem rate of duty or the free rate of duty, the specific duty provided for in tariff items 8702-1 to 8710-1 inclusive, 8712-1, 8715-1, 8717-1, 8719-1 to 8722-1 inclusive, 8724-1, 8728-1, 9201-1 to 9203-1 inclusive, 9205-1, 9206-1, 9208-1, 9210-1, 9211-1, 9402-1 and 9500-1 shall apply, and

(*b*) *that in lieu of the free rate of duty, the ad valorem rate of duty provided for in tariff items 8713-1, 8718-1, 8727-1, 8729-1 and 9207-1 shall apply,*

to goods described in the order imported through ports in a region or part of Canada during such period or periods as may be fixed by the Minister.

7. That the *Customs Tariff* be amended by adding thereto, immediately after section 18 thereof, the following section:

19: (1) There shall be levied, collected and paid as a Customs duty on all goods hereinafter enumerated in this section when imported into Canada or taken out of warehouse for consumption therein, in addition to the duties otherwise established, an amount equal to the amount that would have been imposed, levied and collected thereon under the Excise Act as excise duties if

(a) in the case of goods enumerated in tariff items 15605-1, 15610-1, 15615-1, 15625-1, 15627-1, 15630-1, 15635-1, 15640-1, 15645-1 and 15650-1, the goods were "spirits" within the meaning of the Excise Act and were "distilled in Canada" within the meaning of that Act;

(b) in the case of brandy enumerated in tariff item 15620-1, the brandy were "Canadian brandy" within the meaning of the Excise Act;

(c) in the case of ale, beer, porter and stout enumerated in tariff item 14700-1, the goods were "beer or malt liquor" within the meaning of the Excise Act; and

(d) in the case of cigars, cigarettes and tobacco enumerated in tariff items 14305-1, 14315-1, 14400-1, 14450-1 and 14500-1, the goods were "tobacco, cigars and cigarettes manufactured in Canada" within the meaning of the Excise Act.

(2) The Minister may make such regulations as are deemed necessary for carrying out the provisions of this section and for its enforcement.

8. That Schedule A to the *Customs Tariff* and each order in council made under section 10 of the *Customs Tariff* and section 273 of the *Customs Act* reducing the duty on goods be amended by striking out tariff items 400-1, 503-1, 504-1, 600-1, 702-1, 704-1, 705-1, 800-1, 815-1, 820-1, 835-1, 910-1, 935-1, 1002-1, 1205-1, 1300-1, 1305-1, 1400-1, 1510-1, 1515-1, 1520-1, 1605-1, 1610-1, 1805-1, 1900-1, 2000-1, 2005-1, 2010-1, 2015-1, 2100-1, 2200-1, 2300-1, 2500-1, 2600-1, 2700-1, 3005-1, 3010-1, 3015-1, 3020-1, 3105-1, 3200-1, 3300-1, 3400-1, 3500-1, 3915-1, 3920-1, 3930-1, 3940-1, 4000-1, 4100-1, 4200-1, 4205-1, 4305-1, 4500-1, 4505-1, 4600-1, 4710-1, 4800-1, 4900-1, 5000-1, 5300-1, 5900-1, 6300-1, 6400-1, 6500-1, 6505-1, 6600-1, 6605-1, 6700-1, 6800-1, 6900-1, 6910-1, 7000-1, 7105-1, 7110-1, 7110-2, 7110-3, 7110-4, 7200-1, 7220-1, 7225-1, 7300-1, 7300-2, 7300-3, 7300-4, 7300-5, 7300-6, 7300-7, 7300-8, 7300-9, 7300-10, 7300-11, 7300-12, 7300-13, 7300-14, 7305-1, 7310-1, 7401-1, 7402-1, 7403-1, 7501-1, 7502-1, 7601-1, 7602-1, 7603-1, 7610-1, 7615-1, 7625-1, 7705-1, 7710-1, 7800-1, 7900-1, 8101-1, 8102-1, 8103-1, 8104-1, 8205-1, 8210-1, 8215-1, 8220-1, 8225-1, 8235-1, 8235-2, 8315-1, 8505-1, 8510-1, 8705-1, 8707-1, 8708-1, 8710-1, 8713-1, 8718-1, 8719-1, 8720-1, 8725-1, 8726-1, 8727-1, 9003-1, 9010-1, 9010-2, 9015-1, 9015-2, 9020-1, 9025-1, 9030-1, 9035-1, 9040-1, 9045-1, 9100-1, 9201-1, 9202-1, 9204-1, 9205-1, 9207-1, 9208-1, 9209-1, 9212-1, 9300-1, 9402-1, 9510-1, 9915-1, 9935-1, 9945-1, 9950-1, 10200-1, 10500-1, 10520-1, 10525-1, 10535-1, 10540-1, 10545-1, 10550-1, 10555-1, 10605-1, 10701-1, 10900-1, 10900-2,

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Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
400-1	Horses, n.o.p.....each	$5.00	$5.00	$25.00	$6.25	$6.25	$25.00
	on and after January 1, 1969, each	$3.75	$3.75	$25.00			
	on and after January 1, 1970, each	$2.50	$2.50	$25.00			
	on and after January 1, 1971, each	$1.25	$1.25	$25.00			
	on and after January 1, 1972, each	Free	Free	$25.00			
	Animals, living, n.o.p.:						
503-1	Silver or black foxes.....	Free	Free	25 p.c.	Free	20 p.c.	25 p.c.
504-1	Cows imported specially for dairy purposes.....						
	.....per pound	Free	1.2 cts.	3 cts.	Free	1.5 cts.	3 cts.
	on and after January 1, 1969, per pound	Free	0.9 ct.	3 cts.			
	on and after January 1, 1970, per pound	Free	0.6 ct.	3 cts.			
	on and after January 1, 1971, per pound	Free	0.3 ct.	3 cts.			
	on and after January 1, 1972, per pound	Free	Free	3 cts.			
505-1	N.o.p.....	Free	4 p.c.	25 p.c.	Free	5 p.c.	25 p.c.
	on and after January 1, 1969	Free	3 p.c.	25 p.c.			
	on and after January 1, 1970	Free	2 p.c.	25 p.c.			
	on and after January 1, 1971	Free	1 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
600-1	Live hogs.....per pound	Free	0.9 ct.	3 cts.	Free	1 ct.	3 cts.
	on and after January 1, 1969, per pound	Free	0.8 ct.	3 cts.			
	on and after January 1, 1970, per pound	Free	0.7 ct.	3 cts.			
	on and after January 1, 1971, per pound	Free	0.6 ct.	3 cts.			
	on and after January 1, 1972, per pound	Free	0.5 ct.	3 cts.			
	Meats, fresh, n.o.p.:						
704-1	Pork.....per pound	1.10 cts.	1.10 cts.	5 cts.	1.25 cts.	1.25 cts.	5 cts.
	on and after January 1, 1969, per pound	0.95 ct.	0.95 ct.	5 cts.			
	on and after January 1, 1970, per pound	0.80 ct.	0.80 ct.	5 cts.			
	on and after January 1, 1971, per pound	0.65 ct.	0.65 ct.	5 cts.			
	on and after January 1, 1972, per pound	0.50 ct.	0.50 ct.	5 cts.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
705-1	N.o.p.....per pound	2 cts.	2¼ cts.	5 cts.	2 cts.	2½ cts.	5 cts.
	on and after January 1, 1969, per pound	1¾ cts.	2 cts.	5 cts.			
	on and after January 1, 1970, per pound	1¾ cts.	1¾ cts.	5 cts.			
	on and after January 1, 1971, per pound	1½ cts.	1½ cts.	5 cts.			
	on and after January 1, 1972, per pound	1¼ cts.	1¼ cts.	5 cts.			
707-1	Edible meat offal of all animals.....per pound	0.9 ct.	0.9 ct.	5 cts.	1 ct. (Minimum 5 p.c.)	1 ct. (Minimum 5 p.c.)	8 cts.
	on and after January 1, 1969, per pound	0.8 ct.	0.8 ct.	5 cts.			
	on and after January 1, 1970, per pound	0.7 ct.	0.7 ct.	5 cts.			
	on and after January 1, 1971, per pound	0.6 ct.	0.6 ct.	5 cts.			
	on and after January 1, 1972, per pound	0.5 ct.	0.5 ct.	5 cts.	Various	Various	Various
800-1	Canned beef.....	15 p.c.	28 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	26 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
815-1	Pâtés de foie gras, foies gras, preserved, in tins or otherwise; lark pâtés.....	Free	Free	35 p.c.	7½ p.c.	7½ p.c.	35 p.c.
820-1	Animal liver paste.....	Free	Free	35 p.c.	7½ p.c.	7½ p.c.	35 p.c.
835-1	Extracts of meat and fluid beef, not medicated.....	10 p.c.	24 p.c.	35 p.c.	10 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
910-1	Quails, partridges, and squabs, live or dead, n.o.p....	Free	Free	30 p.c.	10 p.c.	12½ p.c.	30 p.c.
935-1	Game, n.o.p.....	Free	Free	20 p.c.	12½ p.c.	12½ p.c.	20 p.c.
	Meats, prepared or preserved, other than canned:						
1002-1	N.o.p.....per pound	Free	1.8 cts.	6 cts.	Free	2 cts.	6 cts.
	on and after January 1, 1969, per pound	Free	1.6 cts.	6 cts.			
	on and after January 1, 1970, per pound	Free	1.4 cts.	6 cts.			
	on and after January 1, 1971, per pound	Free	1.2 cts.	6 cts.			
	on and after January 1, 1972, per pound	Free	1 ct.	6 cts.			

1205-1	Sausage skins or casings, cleaned	Free	14 p.c.	17½ p.c.	Free	15 p.c.	17½ p.c.
	on and after January 1, 1969	Free	13 p.c.	17½ p.c.			
	on and after January 1, 1970	Free	12 p.c.	17½ p.c.			
	on and after January 1, 1971	Free	11 p.c.	17½ p.c.			
	on and after January 1, 1972	Free	10 p.c.	17½ p.c.			
1300-1	Lard and animal stearine of all kinds, n.o.p. per pound	1.40 cts.	1.60 cts.	2 cts.	1.50 cts.	1.75 cts.	2 cts.
	on and after January 1, 1969, per pound	1.30 cts.	1.45 cts.	2 cts.			
	on and after January 1, 1970, per pound	1.20 cts.	1.30 cts.	2 cts.			
	on and after January 1, 1971, per pound	1.10 cts.	1.15 cts.	2 cts.			
	on and after January 1, 1972, per pound	1 ct.	1 ct.	2 cts.			
1305-1	Lard compound and similar substances, n.o.p. per pound	1.40 cts.	1.60 cts.	2 cts.	1.50 cts.	1.75 cts.	2 cts.
	on and after January 1, 1969, per pound	1.30 cts.	1.45 cts.	2 cts.			
	on and after January 1, 1970, per pound	1.20 cts.	1.30 cts.	2 cts.			
	on and after January 1, 1971, per pound	1.10 cts.	1.15 cts.	2 cts.			
	on and after January 1, 1972, per pound	1 ct.	1 ct.	2 cts.			
1400-1	Tallow	Free	16 p.c.	20 p.c.	Free	17½ p.c.	20 p.c.
	on and after January 1, 1969	Free	14½ p.c.	20 p.c.			
	on and after January 1, 1970	Free	13 p.c.	20 p.c.			
	on and after January 1, 1971	Free	11½ p.c.	20 p.c.			
	on and after January 1, 1972	Free	10 p.c.	20 p.c.			
1510-1	Beeswax, refined but not bleached	Free	7½ p.c.	20 p.c.	Free	15 p.c.	20 p.c.
1515-1	Beeswax, n.o.p.	7½ p.c.	7½ p.c.	20 p.c.	15 p.c.	15 p.c.	20 p.c.
1520-1	Honey-comb foundations, of wax	7½ p.c.	7½ p.c.	20 p.c.	15 p.c.	15 p.c.	20 p.c.
1605-1	Eggs, whole, egg yolk or egg albumen, frozen or otherwise prepared, n.o.p., whether or not sugar or other material be added per pound	5 cts.	9.4 cts.	11 cts.	5 cts.	10 cts.	11 cts.
	on and after January 1, 1969, per pound	5 cts.	8.8 cts.	11 cts.			
	on and after January 1, 1970, per pound	5 cts.	8.2 cts.	11 cts.			
	on and after January 1, 1971, per pound	5 cts.	7.6 cts.	11 cts.			
	on and after January 1, 1972, per pound	5 cts.	7 cts.	11 cts.			
1610-1	Eggs, egg yolk or egg albumen, dried, evaporated, desiccated, or powdered, whether or not sugar or other material be added	10 p.c.	24 p.c.	30 p.c.	10 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
1805-1	Peanut butter.....per pound	3 cts.	4 cts.	7 cts.	3 cts.	5 cts.	7 cts.
1900-1	Cocoa shells and nibs.....	Free	Free	10 p.c.	7½ p.c.	7½ p.c.	10 p.c.
2000-1	Cocoa paste or "liquor" and chocolate paste or "liquor", not sweetened, in blocks or cakes..... .....per pound	1 ct.	1 ct.	5 cts.	3 cts.	3 cts.	5 cts.
2005-1	Butter produced from the cocoa bean.....per pound	Free	Free	3 cts.	Free	2¼ cts.	3 cts.
2010-1	Illipe butter.....	Free	Free	25 p.c.	5 p.c.	10 p.c.	25 p.c.
2015-1	Shea butter.....	Free	Free	10 p.c.	Free	10 p.c.	10 p.c.
2100-1	Cocoa paste or "liquor" and chocolate paste or "liquor", sweetened, in blocks or cakes, not less than two pounds in weight.....per pound	2 cts.	2 cts.	5½ cts.	4 cts.	4 cts.	5½ cts.
2200-1	Preparations of cocoa or chocolate in powder form...	21 p.c.	21 p.c.	35 p.c.	22½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	19½ p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1970	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1971	16½ p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
2300-1	Preparations of cocoa or chocolate, n.o.p., and confectionery coated with or containing chocolate.....	10 p.c.	19 p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c. plus 2½ cts. per lb.
	on and after January 1, 1969	10 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	35 p.c.			
2500-1	Chicory, kiln dried, roasted or ground...per pound	1 ct.	1 ct.	5 cts.	2 cts.	2 cts.	5 cts.
2600-1	Coffee, roasted or ground.....per pound	2 cts.	2 cts.	5 cts.	2 cts.	4 cts.	5 cts.
2700-1	Coffee, green, n.o.p.....per pound	Free	Free	5 cts.	Free	2 cts.	5 cts.

2810–1	Maté	Free	Free	Free	15 p.c.	20 p.c.	25 p.c.
3005–1	Cloves, unground	Free	5 p.c.	12½ p.c.	Free	10 p.c.	12½ p.c.
3010–1	Cinnamon, unground	Free	5 p.c.	12½ p.c.	Free	12½ p.c.	12½ p.c.
3015–1	Ginger, unground	Free	5 p.c.	12½ p.c.	Free	12½ p.c.	12½ p.c.
3020–1	Spices, unground, n.o.p.	Free	5 p.c.	12½ p.c.	Free	12½ p.c.	12½ p.c.
3105–1	Ginger and spices, ground, n.o.p.	5 p.c.	7½ p.c.	10 p.c.	3 cts. lb. and 7½ p.c.	3 cts. lb. and 10 p.c.	3 cts. lb. and 10 p.c.
3110–1	Curry powder and paste	Free	Free	10 p.c.	3 cts. lb. and 7½ p.c.	3 cts. lb. and 10 p.c.	3 cts. lb. and 10 p.c.
					15 p.c.	20 p.c.	25 p.c.
3200–1	Nutmegs and mace, whole or unground	Free	12½ p.c.	20 p.c.	Free	15 p.c.	20 p.c.
3300–1	Nutmegs and mace, ground	5 p.c.	12½ p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
3400–1	Mustard, ground	7½ p.c.	7½ p.c.	27½ p.c.	12½ p.c.	15 p.c.	27½ p.c.
3500–1	Hops ..... per pound	Free	Free	16 cts.	6 cts.	10 cts.	16 cts.
3915–1	Starch or flour of sago, cassava, or rice .... per pound	¾ ct.	1 ct.	1¼ cts.	¾ ct.	1¼ cts.	1¼ cts.
3920–1	Rice meal, rice feed, rice polish, rice bran, rice shorts ..... per pound	0.75 ct.	0.95 ct.	1.25 cts.	0.75 ct.	1 ct.	1.25 cts.
	on and after January 1, 1969, per pound	0.75 ct.	0.90 ct.	1.25 cts.			
	on and after January 1, 1970, per pound	0.75 ct.	0.85 ct.	1.25 cts.			
	on and after January 1, 1971, per pound	0.75 ct.	0.80 ct.	1.25 cts.			
	on and after January 1, 1972, per pound	0.75 ct.	0.75 ct.	1.25 cts.			
3930–1	Combinations or preparations of starch and dextrine with admixture of foreign material, n.o.p., which, when mixed with cold water, do not form an adhesive paste ..... per pound	1 ct.	1 ct.	2½ cts.	1 ct.	2 cts.	2½ cts.
3940–1	Arrowroot ..... per pound	Free	Free	1½ cts.	Free	1½ cts.	1½ cts.
4305–1	Powdered milk, the weight of the package to be included in the weight for duty ..... per pound	2½ cts.	3½ cts.	5 cts.	2½ cts.	4 cts.	5 cts.

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
4500-1	Milk foods, n.o.p.	17 p.c.	17 p.c.	27½ p.c.	17½ p.c.	17½ p.c.	27½ p.c.
	on and after January 1, 1969	16½ p.c.	16½ p.c.	27½ p.c.			
	on and after January 1, 1970	16 p.c.	16 p.c.	27½ p.c.			
	on and after January 1, 1971	15½ p.c.	15½ p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	27½ p.c.			
4505-1	Prepared cereal foods, in packages not exceeding twenty-five pounds weight each	19½ p.c.	19½ p.c.	27½ p.c.	20 p.c.	20 p.c.	27½ p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	27½ p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	27½ p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	27½ p.c.			
4600-1	Prepared cereal foods, n.o.p.	14½ p.c.	14½ p.c.	20 p.c.	15 p.c.	15 p.c.	20 p.c.
	on and after January 1, 1969	14 p.c.	14 p.c.	20 p.c.			
	on and after January 1, 1970	13½ p.c.	13½ p.c.	20 p.c.			
	on and after January 1, 1971	13 p.c.	13 p.c.	20 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	20 p.c.			
4710-1	Lima and Madagascar beans, dried ..... per pound	Free	Free	2 cts.	Free	½ ct.	2 cts.
4800-1	Peas, n.o.p., and lentils, whole or split ..... per pound	Free	¾ ct.	1 ct.	Free	¾ ct.	1 ct.
					5 p.c.	7½ p.c.	15 p.c.
					15 p.c.	20 p.c.	25 p.c.
4900-1	Buckwheat ..... per bushel	Free	Free	15 cts.	Free	12½ cts.	15 cts.
5000-1	Buckwheat meal or flour ..... per one hundred pounds	Free	Free	50 cts.	Free	45 cts.	50 cts.
5300-1	Cornmeal ..... per barrel	Free	48 cts.	60 cts.	Free	50 cts.	60 cts.
	on and after January 1, 1969, per barrel	Free	46 cts.	60 cts.			
	on and after January 1, 1970, per barrel	Free	44 cts.	60 cts.			
	on and after January 1, 1971, per barrel	Free	42 cts.	60 cts.			
	on and after January 1, 1972, per barrel	Free	40 cts.	60 cts.			

5505–1	Grain sorghum.....per bushel	8 cts.	8 cts.	12 cts.	5 p.c. ad valorem	7½ p.c. ad valorem	15 p.c. ad valorem
5900–1	Rye meal or flour.....per barrel	Free	25 cts.	50 cts.	Free 15 p.c.	45 cts. 20 p.c.	50 cts. 25 p.c.
6300–1	Rice, cleaned.....per one hundred pounds	50 cts.	66 cts.	$1.00	50 cts.	70 cts.	$1.00
	on and after January 1, 1969, per one hundred pounds	50 cts.	62 cts.	$1.00			
	on and after January 1, 1970, per one hundred pounds	50 cts.	58 cts.	$1.00			
	on and after January 1, 1971, per one hundred pounds	50 cts.	54 cts.	$1.00			
	on and after January 1, 1972, per one hundred pounds	50 cts.	50 cts.	$1.00			
	When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.						
6400–1	Sago and tapioca.....	10 p.c.	10 p.c.	27½ p.c.	12½ p.c.	17½ p.c.	27½ p.c.
6500–1	Biscuits, not sweetened.....	12½ p.c.	16⅔ p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	15½ p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	14⅓ p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	13⅓ p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	25 p.c.			
6505–1	Special dietary breads and biscuits under regulations of the Department of National Health and Welfare.	Free	5 p.c.	10 p.c.	Free	7½ p.c.	10 p.c.
6600–1	Biscuits, sweetened.....	18½ p.c.	22½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	17 p.c.	20 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	17½ p.c.	30 p.c.			
	on and after January 1, 1971	14 p.c.	15 p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	30 p.c.			
6605–1	Biscuits, sweetened or unsweetened, valued at not less than 20 cents per pound, said value to be based on the net weight and to include the value of the usual retail package.....	Free	18⅓ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	17 p.c.	30 p.c.			
	on and after January 1, 1970	Free	15½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	14 p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
6700-1	Macaroni and vermicelli, containing no egg or other added ingredients.....per one hundred pounds	Free	$1.12½	$1.50	Free	$1.25	$1.50
	on and after January 1, 1969, per one hundred pounds	Free	$1.00	$1.50			
	on and after January 1, 1970, per one hundred pounds	Free	87½ cts.	$1.50			
	on and after January 1, 1971, per one hundred pounds	Free	75 cts.	$1.50			
	on and after January 1, 1972, per one hundred pounds	Free	62½ cts.	$1.50			
	When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.						
6900-1	Straw.....per ton	Free	Free	$2.00	Free	50 cts.	$2.00
6910-1	Hay.....per ton	Free	Free	$5.00	Free	60 cts.	$5.00
	Feeds, n.o.p., for animals and poultry, and ingredients for use therein, n.o.p.:						
6921-1	Other than the following.....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
6922-1	Bran, shorts and middlings.....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			

6923–1	Dried beet pulp	14 p.c.	18 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	13 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1970	12 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1971	11 p.c.	12 p.c.	25 p.c.			
	on and after January 1, 1972	10 p.c.	10 p.c.	25 p.c.			
6924–1	Brewers' and distillers' grains and malt sprouts	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
6925–1	Grain hulls	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
6926–1	Flaxseed screenings	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
6927–1	Screenings, n.o.p.	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
6928–1	By-products obtained from the milling of grains; mixed feeds, and mixed-feed ingredients	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
6929–1	Alfalfa meal or grass meal	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
6930–1	Guar meal	Free	Free	25 p.c.	15 p.c.	20 p.c.	25 p.c.
7000–1	Flaxseed ..... per bushel	Free	Free	10 cts.	7½ cts.	10 cts.	10 cts.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
7105-1	Timothy seed.....per pound	Free	0.4 ct.	2 cts.	Free	0.5 ct.	2 cts.
	on and after January 1, 1969, per pound	Free	0.3 ct.	2 cts.			
	on and after January 1, 1970, per pound	Free	0.2 ct.	2 cts.			
	on and after January 1, 1971, per pound	Free	0.1 ct.	2 cts.			
	on and after January 1, 1972, per pound	Free	Free	2 cts.			
	Clover seed, including alfalfa seed:						
7111-1	Other than the following.....per pound	Free	1.6 cts.	3 cts.	Free	2 cts.	3 cts.
	on and after January 1, 1969, per pound	Free	1.2 cts.	3 cts.			
	on and after January 1, 1970, per pound	Free	0.8 ct.	3 cts.			
	on and after January 1, 1971, per pound	Free	0.4 ct.	3 cts.			
	on and after January 1, 1972, per pound	Free	Free	3 cts.			
7112-1	White (ladino), Sweet, and common white (White Dutch).....per pound	Free	Free	3 cts.	Free	1 ct.	3 cts.
					Free	1¾ cts.	3 cts.
7200-1	Field and garden seeds not specified as free, valued at not less than five dollars per pound, n.o.p., in packages weighing not less than one ounce each....	4 p.c.	6 p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
	on and after January 1, 1969	3 p.c.	4½ p.c.	10 p.c.			
	on and after January 1, 1970	2 p.c.	3 p.c.	10 p.c.			
	on and after January 1, 1971	1 p.c.	1½ p.c.	10 p.c.			
	on and after January 1, 1972	Free	Free	10 p.c.			
7220-1	Millet seed.....	Free	Free	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
7225-1	Bent grass seed, not to include red-top grass seed .....per pound	Free	Free	2 cts.	1 ct.	1 ct.	30 p.c. ad valorem
	Field seeds, n.o.p., when in packages weighing more than one pound each:						
7301-1	Other than the following.....per pound	Free	Free	2 cts.	5 p.c. ad valorem	7½ p.c. ad valorem	15 p.c. ad valorem

7302–1	Blue grass.....per pound	Free	Free	2 cts.	1.3 cts.	1.3 cts.	15 p.c. ad valorem
7303–1	Brome grass.....per pound	0.3 ct.	0.3 ct.	2 cts.	0.4 ct.	0.4 ct.	15 p.c. ad valorem
	on and after January 1, 1969, per pound	0.2 ct.	0.2 ct.	2 cts.			
	on and after January 1, 1970, per pound	0.1 ct.	0.1 ct.	2 cts.			
	on and after January 1, 1971, per pound	Free	Free	2 cts.			
7304–1	Chewing's fescue.....per pound	Free	Free	2 cts.	0.4 ct.	0.4 ct.	15 p.c. ad valorem
7305–1	Meadow fescue.....per pound	0.4 ct.	0.4 ct.	2 cts.	0.5 ct.	0.5 ct.	15 p.c. ad valorem
	on and after January 1, 1969, per pound	0.3 ct.	0.3 ct.	2 cts.			
	on and after January 1, 1970, per pound	0.2 ct.	0.2 ct.	2 cts.			
	on and after January 1, 1971, per pound	0.1 ct.	0.1 ct.	2 cts.			
	on and after January 1, 1972, per pound	Free	Free	2 cts.			
7306–1	Orchard grass.....per pound	Free	Free	2 cts.	1 ct.	1 ct.	15 p.c. ad valorem
7307–1	Poppy.....per pound	Free	Free	2 cts.	5 p.c.	5 p.c.	15 p.c.
7308–1	Red fescue.....per pound	0.8 ct.	0.8 ct.	2 cts.	1 ct.	1 ct.	15 p.c. ad valorem
	on and after January 1, 1969, per pound	0.6 ct.	0.6 ct.	2 cts.			
	on and after January 1, 1970, per pound	0.4 ct.	0.4 ct.	2 cts.			
	on and after January 1, 1971, per pound	0.2 ct.	0.2 ct.	2 cts.			
	on and after January 1, 1972, per pound	Free	Free	2 cts.			
7309–1	Rye grass.....per pound	Free	Free	2 cts.	1¼ cts.	1¼ cts.	15 p.c. ad valorem
7310–1	Tall oat grass.....per pound	Free	Free	2 cts.	1¼ cts.	1¼ cts.	15 p.c. ad valorem
7311–1	Wheat grass.....per pound	0.3 ct.	0.3 ct.	2 cts.	0.4 ct.	0.4 ct.	15 p.c. ad valorem
	on and after January 1, 1969, per pound	0.2 ct.	0.2 ct.	2 cts.			
	on and after January 1, 1970, per pound	0.1 ct.	0.1 ct.	2 cts.			
	on and after January 1, 1971, per pound	Free	Free	2 cts.			
7312-1	Grass seeds, n.o.p., except mixed.....per pound	Free	Free	2 cts.	1¼ cts.	1¼ cts.	15 p.c. ad valorem
7313 1	Mixed grass seeds.....per pound	1¼ cts.	1¼ cts.	2 cts.	1¼ cts.	1¼ cts.	15 p.c. ad valorem
7320–1	Cotton seed.....	Free	Free	10 p.c.	Free	Free	10 p.c.
7325–1	Broom corn seed, when in packages weighing more than one pound each.....	Free	Free	15 p.c.	Free	Free	15 p.c.

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
7400-1	Seeds, when in packages weighing more than one pound each, namely: parsley, parsnip, beet (not including sugar beet), mangel, turnip, radish, leek, lettuce, carrot, borecole (kale), cabbage, cucumber, tomato, pepper, cauliflower and onion....per pound	Free	Free	5 cts.	Free Free Free Free Free Free	2 cts. 2 cts. 4 cts. 7½ cts. 12½ cts. 15 cts.	5 cts. 10 cts. 10 cts. 25 cts. 25 cts. 25 cts.
7610-1	Root, garden and other seeds, n.o.p., when in packages weighing more than one pound each.....per pound	Free	Free	10 cts.	Free	2½ cts.	10 cts.
7615-1	Seeds, namely: Field, root, garden and other seeds, when in packages weighing one pound each, or less..	15 p.c.	15 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
7625-1	Seeds, namely: Canary and celery, when in packages weighing more than one pound each, imported for use exclusively in manufacturing or blending operations.....	Free	Free	10 p.c.	5 p.c.	5 p.c.	10 p.c.
7705-1	Cocoa beans, not crushed or ground..... .....per one hundred pounds	Free	Free	$3.00	Free 15 p.c.	$1.00 20 p.c.	$3.00 25 p.c.
7710-1	Vanilla beans, crude only.....	Free	Free	10 p.c.	Free	2½ p.c.	10 p.c.
	Florist stock, namely:						
7801-1	Palms, ferns, rubber plants (Ficus), cannas, dahlias, paeonias, rhododendrons, pot-grown lilacs, araucarias and laurels.....	Free	Free	20 p.c.	15 p.c. Free	17½ p.c. 12½ p.c.	25 p.c. 20 p.c.
7802-1	Gladiolus.....	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	17½ p.c.	25 p.c.

7803–1	Azaleas; hydrangeas and other pot-grown plants, n.o.p.; rose stock and other stock for grafting or budding, n.o.p.; seedling carnation stock, bulbs, corms, tubers, rhizomes and dormant roots, n.o.p.; Dwarf Polyantha rose bushes imported or purchased in bond in Canada by florists for *bona fide* forcing purposes in their own greenhouses prior to disposal	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
7850–1	Laurel foliage and holly foliage, natural or preserved, whether in designs or bouquets or not	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
	Trees, n.o.p., namely:						
8101–1	Apple....each	Free	Free	3 cts.	Free Free	3 cts. 6 cts.	3 cts. 7½ cts.
8102–1	Plum and cherry....each	Free	Free	3 cts.	Free Free	3 cts. 8 cts.	3 cts. 9 cts.
8103–1	Pear, apricot and quince....each	Free	Free	9 cts.	Free	8 cts.	9 cts.
8104–1	Peach, including June buds....each	Free	Free	6 cts.	Free	5 cts.	6 cts.
8205–1	Grape vines, gooseberry and currant bushes or roots....each	Free	Free	2½ cts.	Free	2 cts.	2½ cts.
8210–1	Raspberry, loganberry and blackberry bushes or roots....each	Free	Free	1 ct.	Free	1 ct.	1 ct.
8215–1	Rhubarb roots....each	Free	Free	1 ct.	Free	¾ ct.	1 ct.
8220–1	Asparagus roots....each	Free	Free	¼ ct.	Free	1/5 ct.	¼ ct.
8225–1	Strawberry plants....each	Free	Free	¼ ct.	Free	¼ ct.	¼ ct.
8235–1	Trees, shrubs, vines, plants, roots and cuttings, for propagation or growing purposes, n.o.p.	Free	Free	30 p.c.	12½ p.c.	12½ p.c.	30 p.c.
8315–1	Sweet potatoes, n.o.p....per pound	Free	Free	2¾ cts.	Free	1¾ cts.	2¾ cts.
8505–1	Mushrooms, preserved, n.o.p.	Free	12½ p.c.	30 p.c.	Free	12½ p.c.	30 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
8507-1	Mushrooms, dried	Free	12 p.c.	30 p.c.	Free	12½ p.c.	30 p.c.
	on and after January 1, 1969	Free	11½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	11 p.c.	30 p.c.			
	on and after January 1, 1971	Free	10½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	10 p.c.	30 p.c.			
8510-1	Truffles, fresh, dried or otherwise preserved	Free	Free	30 p.c.	Free	10 p.c.	30 p.c.
	Vegetables, fresh, in their natural state, the weight of the packages to be included in the weight for duty:						
8705-1	Brussels sprouts ... per pound	Free	3 cts. or 10 p.c. or Free	3 cts or 10 p.c. or Free	Free	3 cts. or 10 p.c.	3 cts. or 10 p.c.
	The Free rate shall apply during the months of January, February, March, April, May and June. During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 16 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.						
8707-1	Carrots ... per pound	Free	0.9 ct. or Free	1 ct. or Free	Free	1 ct. or Free	1 ct. or Free
	on and after January 1, 1969, per pound	Free	0.8 ct. or Free	1 ct. or Free			
	on and after January 1, 1970, per pound	Free	0.7 ct. or Free	1 ct. or Free			
	on and after January 1, 1971, per pound	Free	0.6 ct. or Free	1 ct. or Free			
	on and after January 1, 1972, per pound	Free	0.5 ct. or Free	1 ct. or Free			
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 40 weeks which may be divided into two separate periods, and the Free rate shall apply whenever the specific duty is not in effect.						

8708–1	Cauliflower.....per pound	Free	¾ ct. or 10 p.c. or Free	¾ ct. or 10 p.c. or Free	Free	¾ ct. or 10 p.c. or Free	¾ ct. or 10 p.c. or Free
	The Free rate shall apply during the months of January, February, March, April and May. During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 20 weeks which may be divided into two separate periods, and the 10 per cent duty shall apply whenever the specific duty is not in effect.				Note: The Free rate will in future apply for an additional month, i.e. May.		
8710–1	Corn on the cob..... per pound	Free	1½ cts. or Free	1½ cts. or Free	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the specific duty is not in effect.						
8713–1	Eggplant.....	10 p.c. or Free	10 p.c. or Free	30 p.c. or Free	10 p.c.	10 p.c.	30 p.c.
	In any 12 month period ending 31st March, the ad valorem duty shall not be maintained in force in excess of 8 weeks, and the Free rate shall apply whenever the ad valorem duty is not in effect.						
8718–1	Parsley.....	Free	10 p.c. or Free	30 p.c. or Free	Free	10 p.c.	30 p.c.
	In any 12 month period ending 31st March, the ad valorem duty shall not be maintained in force in excess of 16 weeks, and the Free rate shall apply whenever the ad valorem duty is not in effect.						
8719–1	Parsnips.....per pound	Free	0.8 ct. or 8 p.c.	0.8 ct. or 8 p.c.	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.
	on and after January 1, 1969, per pound	Free	0.6 ct. or 6 p.c.	0.6 ct. or 6 p.c.			
	on and after January 1, 1970, per pound	Free	0.4 ct. or 4 p.c.	0.4 ct. or 4 p.c.			
	on and after January 1, 1971, per pound	Free	0.2 ct. or 2 p.c.	0.2 ct. or 2 p.c.			
	on and after January 1, 1972	Free	Free	Free			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
8719-1 (Cont'd)	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 36 weeks which may be divided into two separate periods, and the ad valorem duty shall apply whenever the specific duty is not in effect.						
8720-1	Peas, green.....per pound	Free	2 cts. or 10 p.c. or Free	2 cts. or 10 p.c. or Free	Free	2 cts. or 10 p.c.	2 cts. or 10 p.c.
	The Free rate shall apply during the months of October, November, December, January, February, March and April. During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 12 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.						
8725-1	Watercress.....	Free	Free	30 p.c.	Free	10 p.c.	30 p.c.
8726-1	Whitloof or endive.....	8 p.c.	8 p.c.	30 p.c.	10 p.c.	10 p.c.	30 p.c.
	on and after January 1, 1969	6 p.c.	6 p.c.	30 p.c.			
	on and after January 1, 1970	4 p.c.	4 p.c.	30 p.c.			
	on and after January 1, 1971	2 p.c.	2 p.c.	30 p.c.			
	on and after January 1, 1972	Free	Free	30 p.c.			
8727-1	Broccoli.....	Free	10 p.c. or Free	30 p.c. or Free	Free	10 p.c.	30 p.c.
	In any 12 month period ending 31st March, the ad valorem duty shall not be maintained in force in excess of 16 weeks, and the Free rate shall apply whenever the ad valorem duty is not in effect.						

8728–1	Green onions.....per pound	Free	1½ cts. or 9 p.c.	1½ cts. or 10 p.c.	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.
	on and after January 1, 1969, per pound	Free	1½ cts. or 8 p.c.	1½ cts. or 10 p.c.			
	on and after January 1, 1970, per pound	Free	1½ cts. or 7 p.c.	1½ cts. or 10 p.c.			
	on and after January 1, 1971, per pound	Free	1½ cts. or 6 p.c.	1½ cts. or 10 p.c.			
	on and after January 1, 1972, per pound	Free	1½ cts. or 5 p.c.	1½ cts. or 10 p.c.			
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 44 weeks which may be divided into two separate periods, and the ad valorem duty shall apply whenever the specific duty is not in effect.						
8729–1	Radishes.....	Free	10 p.c. or Free	30 p.c. or Free	Free	10 p.c.	30 p.c.
	In any 12 month period ending 31st March, the ad valorem duty shall not be maintained in force in excess of 26 weeks, and the Free rate shall apply whenever the ad valorem duty is not in effect.						
8730–1	Turnips.....	Free	8 p.c.	30 p.c.	Free	10 p.c.	30 p.c.
	on and after January 1, 1969	Free	6 p.c.	30 p.c.			
	on and after January 1, 1970	Free	4 p.c.	30 p.c.			
	on and after January 1, 1971	Free	2 p.c.	30 p.c.			
	on and after January 1, 1972	Free	Free	30 p.c.			
8731–1	N.o.p.....	Free	8 p.c.	30 p.c.	Free	10 p.c.	30 p.c.
	on and after January 1, 1969	Free	6 p.c.	30 p.c.			
	on and after January 1, 1970	Free	4 p.c.	30 p.c.			
	on and after January 1, 1971	Free	2 p.c.	30 p.c.			
	on and after January 1, 1972	Free	Free	30 p.c.			
	When the beans (green), beets, Brussels sprouts, carrots, cauliflower, corn on the cob, lettuce or peas specified in items 8703–1, 8704–1, 8705–1, 8707–1, 8708–1, 8710–1, 8715–1, and 8720–1, are subject to the specific rates of duty and are imported in packages weighing five pounds or less, each, they shall be subject to an additional duty of.....	Free	5 p.c.	10 p.c.	Free	5 p.c.	10 p.c.

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
	Vegetables, frozen:						
9003–1	Sweet potatoes	Free	Free	30 p.c.	10 p.c.	17½ p.c.	30 p.c.
9004–1	N.o.p.	10 p.c.	17½ p.c.	30 p.c.	10 p.c.	17½ p.c.	30 p.c.
9010–1	Vegetables, dried, desiccated, or dehydrated, including vegetable flour, n.o.p.	15 p.c.	17½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
9015–1	Vegetables, pickled or preserved in salt, brine, oil or in any other manner, n.o.p.	12½ p.c.	17½ p.c.	35 p.c.	12½ p.c.	20 p.c.	35 p.c.
9020–1	Vegetable juices, n.o.p., liquid mustards, soy and vegetable sauces of all kinds	12½ p.c.	17½ p.c.	35 p.c.	12½ p.c.	20 p.c.	35 p.c.
9021–1	Tomato juice	12½ p.c.	20 p.c.	35 p.c.	12½ p.c.	20 p.c.	35 p.c.
9025–1	Vegetable pastes and hash and all similar products composed of vegetables and meat or fish, or both, n.o.p.	7½ p.c.	17½ p.c.	35 p.c.	7½ p.c.	20 p.c.	35 p.c.
9030–1	Potatoes, pre-cooked, without admixture beyond the addition of preservatives, in powder, flake or granular form	17 p.c.	17 p.c.	25 p.c.	17½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	16½ p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1970	16 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1971	15½ p.c.	15½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
9032–1	Potatoes, pre-cooked, with admixture beyond the addition of preservatives	15 p.c.	19½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			
9035–1	Vegetable materials for use as flavourings	7½ p.c.	7½ p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.

9036–1	Vegetable materials for use as colourings	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
9040–1	Dried herbs in a crude state, not advanced in value or condition by grinding or refining or by any other process of manufacture, namely: Basil, bay laurel (larus nobilis), marjoram, mint, oregano, rosemary, sage, savory, tarragon and thyme	Free	Free	25 p.c.	Free	5 p.c.	25 p.c.
9045–1	Okra, sliced and salted	Free	Free	35 p.c.	Free	5 p.c.	35 p.c.
9100–1	Soups, soup rolls, tablets, cubes, or other soup preparations, n.o.p.	15 p.c.	19½ p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
	Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty:						
9201–1	Apricots.....per pound	Free	1½ cts. or Free	1½ cts. or Free	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 10 weeks, and the Free rate shall apply whenever the specific duty is not in effect.						
9202–1	Cherries, sour.....per pound	Free	3 cts. or Free	3 cts. or Free	Free	3 cts. or 10 p.c.	3 cts. or 10 p.c.
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 10 weeks, and the Free rate shall apply whenever the specific duty is not in effect.						
9204–1	Cranberries	Free	9 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	on and after January 1, 1969	Free	8 p.c.	10 p.c.		or 2 cts.	or 2 cts.
	on and after January 1, 1970	Free	7 p.c.	10 p.c.		per pound	per pound
	on and after January 1, 1971	Free	6 p.c.	10 p.c.			
	on and after January 1, 1972	Free	5 p.c.	10 p.c.			
9205–1	Peaches.....per pound	Free	1½ cts. or 10 p.c. or Free	1½ cts. or 10 p.c. or Free	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
9205-1 (Cont'd)	The Free rate shall apply during the months of November, December, January, February, March and April. During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 14 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.						
9207-1	Plums	Free	10 p.c. or Free	10 p.c. or Free	Free	10 p.c. or Free or 1 ct. lb.	10 p.c. or Free or 1 ct. lb.
	In any 12 month period ending 31st March, the 10 per cent duty shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the 10 per cent duty is not in effect.						
9208-1	Prune plums.....per pound	Free	1½ cts. or Free	1½ cts. or Free	Free	1½cts. or 10 p.c.	1½cts. or 10 p.c.
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the specific duty is not in effect.						
9209-1	Quinces and nectarines	Free	Free	20 p.c.	Free	10 p.c.	20 p.c.
9212-1	Berries, edible, n.o.p.	Free	8 p.c.	20 p.c.	Free	10 p.c.	20 p.c.
	on and after January 1, 1969	Free	6 p.c.	20 p.c.			
	on and after January 1, 1970	Free	4 p.c.	20 p.c.			
	on and after January 1, 1971	Free	2 p.c.	20 p.c.			
	on and after January 1, 1972	Free	Free	20 p.c.			
9300-1	Apples, fresh, in their natural state, the weight of the packages to be included in the weight for duty.....per pound	Free	0.20 ct.	1 ct.	Free	0.25 ct.	20 p.c. ad valorem
	on and after January 1, 1969, per pound	Free	0.15 ct.	1 ct.			
	on and after January 1, 1970, per pound	Free	0.10 ct.	1 ct.			

	on and after January 1, 1971, per pound	Free	0.05 ct.	1 ct.			
	on and after January 1, 1972, per pound	Free	Free	1 ct.			
	Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty:						
9402-1	Vitis Labrusca species.....per pound	Free	1 ct. or Free	1 ct. or Free	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 15 weeks, and the Free rate shall apply whenever the specific duty is not in effect.						
9510-1	Passion fruit (passiflora edulis).....	Free	Free	20 p.c.	Free	15 p.c.	20 p.c.
9915-1	Raisins.....per pound	Free	2.7 cts.	4 cts.	Free	3 cts.	4 cts.
	on and after January 1, 1969, per pound	Free	2.4 cts.	4 cts.			
	on and after January 1, 1970, per pound	Free	2.1 cts.	4 cts.			
	on and after January 1, 1971, per pound	Free	1.8 cts.	4 cts.			
	on and after January 1, 1972, per pound	Free	1.5 cts.	4 cts.			
	When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.						
9935-1	Dates, n.o.p.....per pound	0.8 ct.	1.2 cts.	2.5 cts.	1 ct.	1.5 cts.	2.5 cts.
	on and after January 1, 1969, per pound	0.6 ct.	0.9 ct.	2.5 cts.			
	on and after January 1, 1970, per pound	0.4 ct.	0.6 ct.	2.5 cts.			
	on and after January 1, 1971, per pound	0.2 ct.	0.3 ct.	2.5 cts.			
	on and after January 1, 1972, per pound	Free	Free	2.5 cts.			
	When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.						
9945-1	Apricots, nectarines, pears and peaches, dried, desiccated, evaporated or dehydrated.....	Free	12 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
	on and after January 1, 1969	Free	9 p.c.	25 p.c.			
	on and after January 1, 1970	Free	6 p.c.	25 p.c.			
	on and after January 1, 1971	Free	3 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
9950-1	Dried currants.....per pound	Free	3.6 cts.	4 cts.	Free	4 cts.	4 cts.
	on and after January 1, 1969, per pound	Free	3.2 cts.	4 cts.			
	on and after January 1, 1970, per pound	Free	2.8 cts.	4 cts.			
	on and after January 1, 1971, per pound	Free	2.4 cts.	4 cts.			
	on and after January 1, 1972, per pound	Free	2.0 cts.	4 cts.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
9950-1 (Cont'd)	When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.						
10200-1	Limes	Free	Free	15 p.c.	Free	15 p.c.	15 p.c.
10500-1	Fruit pulp, with sugar or not, n.o.p., and fruits, crushed ... per pound	1½ cts.	1½ cts.	3 cts.	1½ cts.	2 cts.	3 cts.
10520-1	Cherries, sulphured or in brine, not bottled	10 p.c.	14½ p.c.	30 p.c.	10 p.c.	15 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	14 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	13½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	13 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	12½ p.c.	30 p.c.			
10525-1	Fruits and nuts, pickled or preserved in salt, brine, oil, or any other manner, n.o.p.	19½ p.c.	23½ p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
10535-1	Fruits and peels, crystallized, glacé, candied or drained; cherries and other fruits of crème de menthe, maraschino or other flavour	19 p.c.	23 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	18 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
10540-1	Oranges, grapefruit, or lemons, sliced or in the form of pulp, with or without the addition of preservatives	Free	4 p.c.	35 p.c.	Free	5 p.c.	35 p.c.
	on and after January 1, 1969	Free	3 p.c.	35 p.c.			
	on and after January 1, 1970	Free	2 p.c.	35 p.c.			
	on and after January 1, 1971	Free	1 p.c.	35 p.c.			
	on and after January 1, 1972	Free	Free	35 p.c.			

10545–1	Preserved ginger	17½ p.c.	17½ p.c.	35 p.c.	25 p.c.	35 p.c.	35 p.c.
10550–1	Zucca melons, peeled or sliced, sulphured or in brine, for use in Canadian manufactures	5 p.c.	5 p.c.	35 p.c.	10 p.c.	10 p.c.	35 p.c.
10555–1	Pineapples, mint flavoured, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty						
	per pound	Free	1.0 ct.	5 cts.	1 ct.	2 cts.	5 cts.
	on and after January 1, 1970, per pound	Free	0.8 ct.	5 cts.			
	on and after January 1, 1971, per pound	Free	0.4 ct.	5 cts.			
	on and after January 1, 1972, per pound	Free	Free	5 cts.			
	Fruits, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty:						
10605–1	Pineapples per pound	Free	1.0 ct.	5 cts.	1 ct.	2 cts.	5 cts.
	on and after January 1, 1970, per pound	Free	0.8 ct.	5 cts.			
	on and after January 1, 1971, per pound	Free	0.4 ct.	5 cts.			
	on and after January 1, 1972, per pound	Free	Free	5 cts.			
	Fruits, frozen:						
10701–1	Blueberries per pound	1.00 ct.	1.40 cts.	3 cts.	1.25 cts.	1.75 cts.	3 cts.
	on and after January 1, 1969, per pound	0.75 ct.	1.05 cts.	3 cts.			
	on and after January 1, 1970, per pound	0.50 ct.	0.70 ct.	3 cts.			
	on and after January 1, 1971, per pound	0.25 ct.	0.35 ct.	3 cts.			
	on and after January 1, 1972, per pound	Free	Free	3 cts.			
10900–1	Nuts of all kinds, n.o.p., shelled, or not...per pound	Free	Free	3 cts.	1 ct.	1 ct.	3 cts.
11000–1	Cocoanuts per one hundred	Free	Free	75 cts.	Free	50 cts.	75 cts.
11300–1	Cocoanut, desiccated, sweetened or not...per pound	Free	1 ct.	6 cts.	2 cts.	3 cts.	6 cts.
11500–1	Mackerel, herring, salmon and all other fish, n.o.p., fresh, salted, pickled, smoked, dried or boneless						
	per pound	0.4 ct.	0.4 ct.	1 ct.	0.5 ct.	0.5 ct.	1 ct.
	on and after January 1, 1969, per pound	0.3 ct.	0.3 ct.	1 ct.			
	on and after January 1, 1970, per pound	0.2 ct.	0.2 ct.	1 ct.			
	on and after January 1, 1971, per pound	0.1 ct.	0.1 ct.	1 ct.			
	on and after January 1, 1972, per pound	Free	Free	1 ct.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
11600-1	Halibut, fresh, pickled or salted.....per pound	0.4 ct.	0.4 ct.	2 cts.	0.5 ct.	0.5 ct.	2 cts.
	on and after January 1, 1969, per pound	0.3 ct.	0.3 ct.	2 cts.			
	on and after January 1, 1970, per pound	0.2 ct.	0.2 ct.	2 cts.			
	on and after January 1, 1971, per pound	0.1 ct.	0.1 ct.	2 cts.			
	on and after January 1, 1972, per pound	Free	Free	2 cts.			
	Sardines, sprats or pilchards, packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:						
11901-1	When weighing over twenty ounces and not over thirty-six ounces each.....per box	3.15 cts.	3.15 cts.	6 cts.	3.5 cts.	3.5 cts.	6 cts.
	on and after January 1, 1969, per box	2.80 cts.	2.80 cts.	6 cts.			
	on and after January 1, 1970, per box	2.45 cts.	2.45 cts.	6 cts.			
	on and after January 1, 1971, per box	2.10 cts.	2.10 cts.	6 cts.			
	on and after January 1, 1972, per box	1.75 cts.	1.75 cts.	6 cts.			
11902-1	When weighing over twelve ounces and not over twenty ounces each.....per box	2.3 cts.	2.7 cts.	4.5 cts.	2.5 cts.	3.0 cts.	4.5 cts.
	on and after January 1, 1969, per box	2.1 cts.	2.4 cts.	4.5 cts.			
	on and after January 1, 1970, per box	1.9 cts.	2.1 cts.	4.5 cts.			
	on and after January 1, 1971, per box	1.7 cts.	1.8 cts.	4.5 cts.			
	on and after January 1, 1972, per box	1.5 cts.	1.5 cts.	4.5 cts.			
11903-1	When weighing over eight ounces and not over twelve ounces each.....per box	1.8 cts.	1.8 cts.	3.5 cts.	2 cts.	2 cts.	3.5 cts.
	on and after January 1, 1969, per box	1.6 cts.	1.6 cts.	3.5 cts.			
	on and after January 1, 1970, per box	1.4 cts.	1.4 cts.	3.5 cts.			
	on and after January 1, 1971, per box	1.2 cts.	1.2 cts.	3.5 cts.			
	on and after January 1, 1972, per box	1 ct.	1 ct.	3.5 cts.			
11904-1	When weighing eight ounces each or less....per box	1.15 cts.	1.35 cts.	2.5 cts.	1.25 cts.	1.5 cts.	2.5 cts.
	on and after January 1, 1969, per box	1.05 cts.	1.20 cts.	2.5 cts.			
	on and after January 1, 1970, per box	0.95 ct.	1.05 cts.	2.5 cts.			
	on and after January 1, 1971, per box	0.85 ct.	0.90 ct.	2.5 cts.			
	on and after January 1, 1972, per box	0.75 ct.	0.75 ct.	2.5 cts.			

	Anchovies, packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:						
12001–1	When weighing over twenty ounces and not over thirty-six ounces each.....per box	2.7 cts.	2.7 cts.	6 cts.	3 cts.	3 cts.	6 cts.
	on and after January 1, 1969, per box	2.4 cts.	2.4 cts.	6 cts.			
	on and after January 1, 1970, per box	2.1 cts.	2.1 cts.	6 cts.			
	on and after January 1, 1971, per box	1.8 cts.	1.8 cts.	6 cts.			
	on and after January 1, 1972, per box	1.5 cts.	1.5 cts.	6 cts.			
12002–1	When weighing over twelve ounces and not over twenty ounces each.....per box	2¼ cts.	2¼ cts.	4½ cts.	2½ cts.	2½ cts.	4½ cts.
	on and after January 1, 1969, per box	2 cts.	2 cts.	4½ cts.			
	on and after January 1, 1970, per box	1¾ cts.	1¾ cts.	4½ cts.			
	on and after January 1, 1971, per box	1½ cts.	1½ cts.	4½ cts.			
	on and after January 1, 1972, per box	1¼ cts.	1¼ cts.	4½ cts.			
12003–1	When weighing over eight ounces and not over twelve ounces each.....per box	1.35 cts.	1.35 cts.	3.5 cts.	1.5 cts.	1.5 cts.	3.5 cts.
	on and after January 1, 1969, per box	1.20 cts.	1.20 cts.	3.5 cts.			
	on and after January 1, 1970, per box	1.05 cts.	1.05 cts.	3.5 cts.			
	on and after January 1, 1971, per box	0.90 ct.	0.90 ct.	3.5 cts.			
	on and after January 1, 1972, per box	0.75 ct.	0.75 ct.	3.5 cts.			
12004–1	When weighing eight ounces each or less....per box	0.9 ct.	0.9 ct.	2.5 cts.	1 ct.	1 ct.	2.5 cts.
	on and after January 1, 1969, per box	0.8 ct.	0.8 ct.	2.5 cts.			
	on and after January 1, 1970, per box	0.7 ct.	0.7 ct.	2.5 cts.			
	on and after January 1, 1971, per box	0.6 ct.	0.6 ct.	2.5 cts.			
	on and after January 1, 1972, per box	0.5 ct.	0.5 ct.	2.5 cts.			
12105–1	Bonito preserved in oil.....	14 p.c.	16 p.c.	35 p.c.	15 p.c.	17½ p.c.	35 p.c.
	on and after January 1, 1969	13 p.c.	14½ p.c.	35 p.c.			
	on and after January 1, 1970	12 p.c.	13 p.c.	35 p.c.			
	on and after January 1, 1971	11 p.c.	11½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	10 p.c.	35 p.c.			
12200–1	Herring (not including kippered herring in sealed containers) packed in oil or otherwise, in sealed containers.....	14½ p.c.	22½ p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	14 p.c.	20 p.c.	35 p.c.			
	on and after January 1, 1970	13½ p.c.	17½ p.c.	35 p.c.			
	on and after January 1, 1971	13 p.c.	15 p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	35 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
	Fish, prepared or preserved, n.o.p.:						
12301-1	Kippered herring in sealed containers	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	17½ p.c.	30 p.c.
	on and after January 1, 1969	13 p.c.	13 p.c.	30 p.c.			
	on and after January 1, 1970	11 p.c.	11 p.c.	30 p.c.			
	on and after January 1, 1971	9 p.c.	9 p.c.	30 p.c.			
	on and after January 1, 1972	8 p.c.	8 p.c.	30 p.c.			
12302-1	Salmon	13½ p.c.	13½ p.c.	30 p.c.	15 p.c.	15 p.c.	30 p.c.
	on and after January 1, 1969	12 p.c.	12 p.c.	30 p.c.			
	on and after January 1, 1970	10½ p.c.	10½ p.c.	30 p.c.			
	on and after January 1, 1971	9 p.c.	9 p.c.	30 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	30 p.c.			
12303-1	All other fish, n.o.p.	15 p.c.	20 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	17½ p.c.	30 p.c.			
	on and after January 1, 1970	13 p.c.	15 p.c.	30 p.c.			
	on and after January 1, 1971	12 p.c.	12½ p.c.	30 p.c.			
	on and after January 1, 1972	11 p.c.	11 p.c.	30 p.c.			
12400-1	Shell fish, fresh, n.o.p.	10 p.c.	14 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	7½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	2½ p.c.	3½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
12405-1	Shell fish, prepared or preserved, n.o.p.	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	14 p.c.	30 p.c.	17½ p.c.	17½ p.c.	30 p.c.
	on and after January 1, 1970	13 p.c.	13 p.c.	30 p.c.			
	on and after January 1, 1971	12 p.c.	12 p.c.	30 p.c.			
	on and after January 1, 1972	11 p.c.	11 p.c.	30 p.c.			
12505-1	Oysters, prepared or preserved; oysters in the shell	13½ p.c.	13½ p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	12 p.c.	12 p.c.	25 p.c.			
	on and after January 1, 1970	10½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1971	9 p.c.	9 p.c.	25 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			

12600-1	Clams in sealed containers	17½ p.c.	36 p.c.	40 p.c.	17½ p.c.	40 p.c.	40 p.c.
	on and after January 1, 1969	17½ p.c.	32 p.c.	40 p.c.			
	on and after January 1, 1970	17½ p.c.	28 p.c.	40 p.c.			
	on and after January 1, 1971	17½ p.c.	24 p.c.	40 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	40 p.c.			
12700-1	Crustaceans, fresh, n.o.p.; crustaceans, prepared or preserved, n.o.p.	11 p.c.	15 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c
	on and after January 1, 1969	10 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	8 p.c.	9 p.c.	25 p.c.			
	on and after January 1, 1972	8 p.c.	8 p.c.	25 p.c.			
12805-1	Lobsters, prepared or preserved	15 p.c.	20 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	17½ p.c.	30 p.c.			
	on and after January 1, 1970	13 p.c.	15 p.c.	30 p.c.			
	on and after January 1, 1971	12 p.c.	12½ p.c.	30 p.c.			
	on and after January 1, 1972	11 p.c.	11 p.c.	30 p.c.			
12900-1	Crabs in sealed containers	17 p.c.	27 p.c.	40 p.c.	17½ p.c.	30 p.c.	40 p.c.
	on and after January 1, 1969	17 p.c.	24 p.c.	40 p.c.			
	on and after January 1, 1970	17 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	40 p.c.			
13000-1	Shrimp	4 p.c.	4 p.c.	25 p.c.	5 p.c.	5 p.c.	25 p.c.
	on and after January 1, 1969	3 p.c.	3 p.c.	25 p.c.			
	on and after January 1, 1970	2 p.c.	2 p.c.	25 p.c.			
	on and after January 1, 1971	1 p.c.	1 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
13300-1	All other articles the produce of the fisheries, n.o.p.	11 p.c.	15 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	10 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	8 p.c.	9 p.c.	25 p.c.			
	on and after January 1, 1972	8 p.c.	8 p.c.	25 p.c.			
13303-1	Fish solubles	10 p.c.	14 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	7½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	2½ p.c.	3½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
13650-1	Syrups, the product of the sugar beet, in which the percentage of the total of reducing sugars after inversion is less than seventy-one per cent of the total solids by weight.....per gallon	4 cts.	5 cts.	7 cts.	5 cts.	6½ cts.	7 cts.
	on and after January 1, 1969, per gallon	3 cts.	3½ cts.	7 cts.			
	on and after January 1, 1970, per gallon	2 cts.	2 cts.	7 cts.			
	on and after January 1, 1971, per gallon	1 ct.	1 ct.	7 cts.			
13800-1	Maple sugar and maple syrup.....	12 p.c.	14 p.c.	20 p.c.	15 p.c.	17½ p.c.	20 p.c.
	on and after January 1, 1969	9 p.c.	10½ p.c.	20 p.c.			
	on and after January 1, 1970	6 p.c.	7 p.c.	20 p.c.			
	on and after January 1, 1971	3 p.c.	3½ p.c.	20 p.c.			
	on and after January 1, 1972	Free	Free	20 p.c.			
14100-1	Sugar candy and confectionery, n.o.p., including sweetened gums, candied popcorn, candied nuts, flavouring powders, custard powders, jelly powders, sweetmeats, sweetened breads, cakes, pies, puddings and all other confections containing sugar....	12½ p.c.	22 p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c. plus ½ ct. per pound
	on and after January 1, 1969	12½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	35 p.c.			
	Tobacco, unmanufactured, for excise purposes under conditions of the Excise Act, subject to such regulations as may be prescribed by the Minister:						
	Of the type commonly known as Turkish:						
14201-1	Unstemmed.....per pound	11 cts.	11 cts.	40 cts.	12 cts.	22 cts.	40 cts.
14202-1	Stemmed.....per pound	20 cts.	20 cts.	60 cts.	30 cts.	40 cts.	60 cts.
	N.o.p.:						
14205-1	Unstemmed, when imported by cigar manufacturers for use as wrappers in the manufacture of cigars in their own factories.....per pound	5 cts.	5 cts.	40 cts.	10 cts.	10 cts.	40 cts.

14210–1	Converted tobacco leaf for use in the manufacture of cigar binders and cigar wrappers.....per pound	75 cts.	75 cts.	$1.05	75 cts. 90 cts.	75 cts. $1.05	$1.05 $1.05
	The duty under items 14201–1 to 14210–1 inclusive shall be levied on the basis of "Standard leaf tobacco" consisting of ten per cent of water and ninety per cent of solid matter.						
14305–1	Cigars, the weight of the bands and ribbons to be included in the weight for duty.....per pound and	$1.45 10 p.c.	$1.45 10 p.c.	$3.00 20 p.c.	$1.75 lb. and 15 p.c. and $1 per thousand under all tariffs	$1.75 lb. and 15 p.c.	$3.50 lb. and 25 p.c.
					$1.50 lb. and 10 p.c. and $1 per thousand under all tariffs (Present rates include excise duty)	$1.50 lb. and 10 p.c.	$3.50 lb. and 25 p.c.
14315–1	Cigarettes.....	25 p.c.	25 p.c.	50 p.c.	$2 per lb. and 15 p.c. (Present rates include excise duty)	$2 per lb. and 15 p.c.	$4.10 per lb. and 25 p.c.
14400–1	Cut tobacco.....per pound	40 cts.	40 cts.	75 cts.	80 cts.	80 cts. (Present rates include excise duty)	$1.10
14450–1	Snuff.....per pound	40 cts.	55 cts.	55 cts.	75 cts.	90 cts. (Present rates include excise duty)	90 cts.
14500–1	Manufactured tobacco, n.o.p.....per pound	55 cts.	70 cts.	70 cts.	90 cts.	$1.05 (Present rates include excise duty)	$1.05
14700–1	Ale, beer, porter and stout.....per gallon	15 cts.	15 cts.	35 cts.	53 cts.	53 cts. (Present rates include excise duty)	73 cts.
14705–1	Beverages in the manufacture of which malt, rice or corn is used, when containing not more than two and one-half per cent of proof spirit.....	20 p.c.	20 p.c.	40 p.c.	25 p.c.	40 p.c.	40 p.c.
	Fruit juices and fruit syrups, n.o.p., namely:						
15201–1	Lime juice.....	Free	Free	25 p.c.	10 p.c.	10 p.c.	25 p.c.
15202–1	Orange juice..... on and after January 1, 1969 on and after January 1, 1970 on and after January 1, 1971 on and after January 1, 1972	Free Free Free Free Free	7 p.c. 6½ p.c. 6 p.c. 5½ p.c. 5 p.c.	25 p.c. 25 p.c. 25 p.c. 25 p.c. 25 p.c.	Free	7½ p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
15203-1	Lemon juice	Free	Free	25 p.c.	10 p.c.	10 p.c.	25 p.c.
15204-1	Passion fruit juice	Free	Free	25 p.c.	10 p.c.	10 p.c.	25 p.c.
15205-1	Pineapple juice	7 p.c.	7 p.c.	25 p.c.	7½ p.c.	7½ p.c.	25 p.c.
	on and after January 1, 1969	6½ p.c.	6½ p.c.	25 p.c.			
	on and after January 1, 1970	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1971	5½ p.c.	5½ p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
15206-1	Grapefruit juice	Free	7 p.c.	25 p.c.	Free	7½ p.c.	25 p.c.
	on and after January 1, 1969	Free	6½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	6 p.c.	25 p.c.			
	on and after January 1, 1971	Free	5½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	5 p.c.	25 p.c.			
15207-1	Blended orange and grapefruit juice	Free	9 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
	on and after January 1, 1969	Free	8 p.c.	25 p.c.			
	on and after January 1, 1970	Free	7 p.c.	25 p.c.			
	on and after January 1, 1971	Free	6 p.c.	25 p.c.			
	on and after January 1, 1972	Free	5 p.c.	25 p.c.			
15209-1	Fruit syrups, n.o.p.	9 p.c.	9 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	on and after January 1, 1969	8 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1970	7 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
15215-1	Dehydrated citrus fruit juices with or without stabilizers or sugar	2½ p.c.	7 p.c.	25 p.c.	2½ p.c.	7½ p.c.	25 p.c.
	on and after January 1, 1969	2½ p.c.	6½ p.c.	25 p.c.			
	on and after January 1, 1970	2½ p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1971	2½ p.c.	5½ p.c.	25 p.c.			
	on and after January 1, 1972	2½ p.c.	5 p.c.	25 p.c.			

15300-1	Lime juice, raw and concentrated, not refined.....per gallon	Free	12 cts.	15 cts.	Free	15 cts.	15 cts.
	on and after January 1, 1969, per gallon	Free	9 cts.	15 cts.			
	on and after January 1, 1970, per gallon	Free	6 cts.	15 cts.			
	on and after January 1, 1971, per gallon	Free	3 cts.	15 cts.			
	on and after January 1, 1972, per gallon	Free	Free	15 cts.			
15605-1	Whiskey.....per gallon of the strength of proof	50 cts.	50 cts.	$6.00	$13.50	$14.00 (Present rates include $13.00 excise duty)	$19.00
15610-1	Gin.....per gallon of the strength of proof	50 cts.	50 cts.	$6.00	$13.50	$14.00 (Present rates include $13.00 excise duty)	$19.00
15615-1	Rum, n.o.p.....per gallon of the strength of proof	50 cts.	$2.00	$6.00	$13.50	$15.00 (Present rates include $13.00 excise duty)	$19.00
15620-1	Brandy.....per gallon of the strength of proof	$1.00	$1.00	$8.00	$13.00	$13.00 (Present rates include $11.00 excise duty)	$19.00
15625-1	Liqueurs.....per gallon of the strength of proof	50 cts.	50 cts.	$6.00	$13.50	$13.50 (Present rates include $13.00 excise duty)	$19.00
15627-1	Van der Hum.....per gallon of the strength of proof	Free	50 cts.	$6.00	$13.00	$13.50 (Present rates include $13.00 excise duty)	$19.00
15630-1	Spirituous or alcoholic liquors, n.o.p.; absinthe, arrack or palm spirit, artificial brandy and imitations of brandy, n.o.p.; cordials of all kinds, n.o.p.; mescal, pulque, rum shrub, schiedam and other schnapps; tafia, and alcoholic bitters or beverages, n.o.p.; and wines, n.o.p., containing more than forty per cent of proof spirit.....per gallon of the strength of proof	$1.00	$1.00	$6.00	$14.00	$19.00 (Present rates include $13.00 excise duty)	$19.00
15635-1	Vodka.....per gallon of the strength of proof	$1.00	$1.00	$6.00	$14.00	$15.00 (Present rates include $13.00 excise duty)	$19.00
15640-1	Tequila.....per gallon of the strength of proof	$1.00	$1.00	$6.00	$14.00	$14.00 (Present rates include $13.00 excise duty)	$19.00
15645-1	Ethyl alcohol for use as a spirituous or alcoholic beverage or for the manufacture of spirituous or alcoholic beverages.....per gallon of the strength of proof	$1.00	$1.00	$6.00	$14.00	$19.00 (Present rates include $13.00 excise duty)	$19.00

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
15650-1	Ethyl alcohol, n.o.p. .....per gallon of the strength of proof	$1.00	$1.00	$6.00	$14.00	$19.00 (Present rates include $13.00 excise duty)	$19.00
	When the goods specified in items 15605-1, 15610-1, 15615-1, 15620-1, 15625-1, 15627-1, 15630-1, 15635-1, 15640-1, 15645-1 and 15650-1 are of greater or less strength than the strength of proof, the measurement thereof and the amount of duty payable thereon shall be increased or decreased in proportion for any greater or less strength than the strength of proof.						
	Alcoholic perfumes:						
16002-1	When in bottles, flasks or other packages, containing more than four ounces each.....per gallon and	$4.00	— 20 p.c.	$5.00 40 p.c.	$4.00	$4.00 22½ p.c.	$5.00 40 p.c.
	Perfumed spirits, bay rum, cologne and lavender waters, lotions, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind:						
16101-1	When in bottles or flasks containing not more than four ounces each	20 p.c.	29 p.c.	50 p.c.	20 p.c.	30 p.c.	90 p.c.
	on and after January 1, 1969	20 p.c.	28 p.c.	50 p.c.			
	on and after January 1, 1970	20 p.c.	27 p.c.	50 p.c.			
	on and after January 1, 1971	20 p.c.	26 p.c.	50 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	50 p.c.			
16102-1	When in bottles, flasks or other packages, containing more than four ounces each	25 p.c.	25 p.c.	50 p.c.	$2 gallon	$2 gallon and 20 p.c.	$5 gallon and 40 p.c.
	but not more than, per gallon	$2.00			$3 gallon	$3 gallon and 20 p.c.	$5 gallon and 40 p.c.

16800–1	Malt flour containing less than fifty per cent in weight of malt; malt syrup or malt syrup powder, n.o.p.; extracts of malt, fluid or not; grain molasses—all articles in this item upon valuation without British or foreign excise duties, under regulations prescribed by the Minister	19 p.c.	24 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	and, per pound		4 cts.	8 cts.		5 cts.	10 cts.
	on and after January 1, 1969	18 p.c.	23 p.c.	35 p.c.			
	and, per pound		3 cts.	6 cts.			
	on and after January 1, 1970	17 p.c.	22 p.c.	35 p.c.			
	and, per pound		2 cts.	4 cts.			
	on and after January 1, 1971	17 p.c.	21 p.c.	35 p.c.			
	and, per pound		1 ct.	2 cts.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
16805–1	Malt syrup, malt syrup powder, or other starch conversion products produced by the action of enzymes on starch, not including any such products used in the brewing of beer	19½ p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
17900–1	Labels for cigar boxes, fruits, vegetables, meats, fish, confectionery or other goods or wares; shipping, price or other tags, tickets or labels, and railroad or other tickets, whether lithographed or printed, or partly printed, n.o.p.; the foregoing not including labels of textile fibres or filaments	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
	Tickets issued by railway systems in the British Commonwealth (not including railway systems operating in Canada), shall be exempt from customs duty, when produced in countries entitled to the benefits of the British Preferential Tariff.						
18010–1	Decalcomania transfers of all kinds, n.o.p.	12½ p.c.	19½ p.c.	22½ p.c.	12½ p.c.	20 p.c.	22½ p.c.
	on and after January 1, 1969	12½ p.c.	19 p.c.	22½ p.c.			
	on and after January 1, 1970	12½ p.c.	18½ p.c.	22½ p.c.			
	on and after January 1, 1971	12½ p.c.	18 p.c.	22½ p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	22½ p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
18030-1	Plans and drawings, related specifications, any substitute therefor, reproductions of the foregoing, n.o.p.; maps and charts, n.o.p.	12½ p.c.	19½ p.c.	27½ p.c.	12½ p.c.	20 p.c.	27½ p.c.
	on and after January 1, 1969	12½ p.c.	19 p.c.	27½ p.c.			
	on and after January 1, 1970	12½ p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1971	12½ p.c.	18 p.c.	27½ p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	27½ p.c.			
18100-1	Bank notes, bonds, bills of exchange, cheques, promissory notes, drafts and all similar work, unsigned, and cards or other commercial blank forms printed or lithographed, or printed from steel or copper or other plates, and other printed matter, n.o.p.	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
18105-1	Pictorial post-cards, greeting cards and similar artistic cards or folders	15 p.c.	24 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c. plus 5 cts. per pound
	on and after January 1, 1969	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
18700-1	Albumenized and other papers, textile fabrics and films, n.o.p.; all the foregoing chemically prepared for photographers' use	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	19 p.c.	30 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
19200-1	Tarred paper and prepared roofings (including shingles), fibreboard, strawboard, sheathing and insulation, manufactured wholly or in part of vegetable fibres, n.o.p.; blotting paper, not printed nor illustrated	15 p.c.	19 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.

	on and after January 1, 1969	15 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19201–1	Shoeboard, in rolls or sheets, of paper or paperboard, not less than 0.012 inch in thickness	13 p.c.	17 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	35 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	35 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	35 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	35 p.c.			
19202–1	Beer mat or coaster board, in rolls or sheets, not less than 0.012 inch in thickness, not embossed, not printed and not decorated	12 p.c.	16 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	9 p.c.	12 p.c.	35 p.c.			
	on and after January 1, 1970	6 p.c.	8 p.c.	35 p.c.			
	on and after January 1, 1971	3 p.c.	4 p.c.	35 p.c.			
	on and after January 1, 1972	Free	Free	35 p.c.			
19205–1	Pulpboard in rolls not less than nine one-thousandths of an inch in thickness for use in wrapping rolls of paper	4 p.c.	4 p.c.	10 p.c.	5 p.c.	5 p.c.	10 p.c.
	on and after January 1, 1969	3 p.c.	3 p.c.	10 p.c.			
	on and after January 1, 1970	2 p.c.	2 p.c.	10 p.c.			
	on and after January 1, 1971	1 p.c.	1 p.c.	10 p.c.			
	on and after January 1, 1972	Free	Free	10 p.c.			
19210–1	Pulpboard in rolls for use in the manufacture of wallboard	Free	4 p.c.	5 p.c.	Free	5 p.c.	5 p.c.
	on and after January 1, 1969	Free	3 p.c.	5 p.c.			
	on and after January 1, 1970	Free	2 p.c.	5 p.c.			
	on and after January 1, 1971	Free	1 p.c.	5 p.c.			
	on and after January 1, 1972	Free	Free	5 p.c.			
19215–1	Sandpaper, glass or flint paper, and emery paper or emery cloth	12½ p.c.	19½ p.c.	25 p.c.	12½ p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	25 p.c.			
19220–1	Roofing and shingles of saturated felt	Free	19 p.c.	35 p.c.	Free	20 p.c.	35 p.c.
	on and after January 1, 1969	Free	18 p.c.	35 p.c.			
	on and after January 1, 1970	Free	17 p.c.	35 p.c.			
	on and after January 1, 1971	Free	16 p.c.	35 p.c.			
	on and after January 1, 1972	Free	15 p.c.	35 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
19235-1	Paperboard or fiberboard, single ply, not coated nor impregnated, in rolls containing not less than five hundred square feet, when imported by manufacturers of impregnated socklining base, inner-soling, welting, or similar materials, for use only in the manufacture of such materials in their own factories.	Free	6 p.c.	25 p.c.	Free	7½ p.c.	25 p.c.
	on and after January 1, 1969	Free	4½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	3 p.c.	25 p.c.			
	on and after January 1, 1971	Free	1½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
19240-1	Roofing felt, single ply, not coated or impregnated, in rolls containing not less than 500 square feet, when imported by manufacturers of asphalt roofing (including shingles and siding) for use only in the manufacture of such materials in their own factories.	Free	6 p.c.	25 p.c.	Free	7½ p.c.	25 p.c.
	on and after January 1, 1969	Free	4½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	3 p.c.	25 p.c.			
	on and after January 1, 1971	Free	1½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
19300-1	Paper sacks or bags of all kinds, printed or not.....	15 p.c.	19 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19500-1	Hanging paper, n.o.p., or wall papers, including borders or bordering.....	17 p.c.	21 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c. plus 2 cts. per pound
	on and after January 1, 1969	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19505-1	Hanging paper, not impregnated, not coated, not surface-coloured, not embossed, not ruled, not lined, not printed and not decorated.....	14 p.c.	18 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c. plus 2 cts. per pound
	on and after January 1, 1969	10½ p.c.	13½ p.c.	35 p.c.			

	on and after January 1, 1970	7 p.c.	9 p.c.	35 p.c.			
	on and after January 1, 1971	3½ p.c.	4½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	Free	35 p.c.			
19700-1	Paper of all kinds, n.o.p.	15 p.c.	21 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	19½ p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
19702-1	Electric cable insulating paper, n.o.p.	15 p.c.	19 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
19710-1	Wrapping paper of all kinds, not pasted, coated or embossed	17 p.c.	21 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19750-1	Printing papers, coated or uncoated, in rolls or rectangular sheets, weighing over 18 pounds per ream of 432,000 square inches	14½ p.c.	20½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	14 p.c.	18½ p.c.	25 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1970	13½ p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1971	13 p.c.	14½ p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	25 p.c.			
19800-1	Ruled and border and coated papers, boxed papers, pads not printed, papier-mâché ware, n.o.p.	17 p.c.	21 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19802-1	Pots or boxes of pulp or pulpboard for use in growing plants for transplanting purposes, or for protecting plants while growing	17 p.c.	17 p.c.	35 p.c.	17½ p.c.	17½ p.c.	35 p.c.
	on and after January 1, 1969	16½ p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1970	16 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1971	15½ p.c.	15½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
19900-1	Papeteries, envelopes, and all manufactures of paper, n.o.p.	17 p.c.	21½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	20½ p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1970	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
19905-1	Paper milk bottle caps, printed or not	15 p.c.	22½ p.c.	27½ p.c.	15 p.c.	25 p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	20 p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	17½ p.c.	27½ p.c.			
19910-1	Containers wholly or partially manufactured from fibreboard or paperboard, n.o.p.	2 p.c.	19½ p.c.	35 p.c.	4/5 ct.	4/5 ct.	1½ cts.
	on and after January 1, 1969	1½ p.c.	19 p.c.	35 p.c.	per pound	per pound;	per pound;
	on and after January 1, 1970	1 p.c.	18½ p.c.	35 p.c.		minimum	minimum
	on and after January 1, 1971	½ p.c.	18 p.c.	35 p.c.		20 p.c.	35 p.c.
	on and after January 1, 1972	Free	17½ p.c.	35 p.c.			
19911-1	Fibreboard shipping containers	2 p.c.	19 p.c.	35 p.c.	4/5 ct.	4/5 ct.	1½ cts.
	on and after January 1, 1969	1½ p.c.	18 p.c.	35 p.c.	per pound	per pound;	per pound;
	on and after January 1, 1970	1 p.c.	17 p.c.	35 p.c.		minimum	minimum
	on and after January 1, 1971	½ p.c.	16 p.c.	35 p.c.		20 p.c.	35 p.c.
	on and after January 1, 1972	Free	15 p.c.	35 p.c.			
19915-1	Waxed stencil paper for use on duplicating machines	10 p.c.	21 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	35 p.c.			
19930-1	Hand made papers, not to include mould-made deckle-edge papers, valued at not less than 40 cents per pound wholesale	10 p.c.	20 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
19945-1	Trays of pulp or pulpboard imported for use exclusively in the packaging of apples in their natural state	Free	Free	35 p.c.	Free	7½ p.c	35 p.c.

19960-1	Woven paper fabrics, open mesh, not less than nine feet in width, for use in the manufacture of carpets..	15 p.c.	19 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
22800-1	Soap powders, powdered soap, mineral soap, and soap, n.o.p.	15 p.c.	19½ p.c.	32½ p.c.	15 p.c.	20 p.c.	32½ p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	32½ p.c.	15 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1970	15 p.c.	18½ p.c.	32½ p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	32½ p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	32½ p.c.			
23200-1	Glue, n.o.p.	15 p.c.	22 p.c..	35 p.c.	15 p.c. and	22½ p.c. and	25 p.c. and
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.	2 cts. lb.	5 cts. lb.	5 cts. lb.
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
23205-1	Gelatine, n.o.p.	15 p.c.	22 p.c.	35 p.c.	15 p.c.	22½ p.c.	25 p.c. and
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.			5 cts. lb.
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
23210-1	Vegetable glue	10 p.c.	26 p.c.	35 p.c.	10 p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
23215-1	Gelatine, edible	7½ p.c.	22 p.c.	35 p.c.	7½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	7½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	7½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	7½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	7½ p.c.	20 p.c.	35 p.c.			
23230-1	Mucilage and adhesive paste	15 p.c.	20 p.c.	35 p.c.	15 p.c.	20 p.c.	27½ p.c.
	and, per pound	1 ct.	2 cts.		1.5 cts.	2.5 cts.	3 cts.
	on and after January 1, 1969	15 p.c.	20 p.c.	35 p.c.			
	and, per pound	0.5 ct.	1.5 cts.				
	on and after January 1, 1970	15 p.c.	20 p.c.	35 p.c.			
	and, per pound		1 ct.				
	on and after January 1, 1971	15 p.c.	20 p.c.	35 p.c.			
	and, per pound		0.5 ct.				
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			

Tarift Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
23400-1	Perfumery, including toilet preparations, non-alcoholic, namely; hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin	15 p.c.	22 p.c.	40 p.c.	15 p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	40 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	40 p.c.			
23500-1	Liquorice fibres, whether or not dried, cleaned, cut to size, ground or sifted	Free	Free	15 p.c.	Free	10 p.c.	15 p.c.
23505-1	Liquorice blocks, granules, paste or powder, not sweetened	Free	Free	17½ p.c.	Free	12½ p.c.	17½ p.c.
23510-1	Liquorice in rolls or sticks, not sweetened	Free	Free	22½ p.c.	Free	15 p.c.	22½ p.c.
25800-1	Linseed or flaxseed oil, raw or boiled	Free	10 p.c.	15 p.c.	$1.25 per cwt.	$1.55 per cwt.	$1.65 per cwt.
25805-1	Linseed or flaxseed oil, other than raw or boiled	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
25900-1	Lard oil and neat's foot oil	15 p.c.	20 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	17½ p.c.	25 p.c.			
25915-1	Castor oil, crude	Free	Free	15 p.c.	Free	Free	Free
26505-1	Fish oils, n.o.p.	12½ p.c.	17½ p.c.	22½ p.c.	12½ p.c	20 p.c.	22½ p.c.
	on and after January 1, 1969	12½ p.c.	15 p.c.	22½ p.c.			
26507-1	Menhaden oil	12½ p.c.	15 p.c.	22½ p.c.	12½ p.c.	17½ p.c.	22½ p.c.
26515-1	Halibut liver oil, crude or refined	Free	17½ p.c.	22½ p.c.	Free	20 p.c.	22½ p.c.
	on and after January 1, 1969	Free	15 p.c.	22½ p.c.			
26605-1	Tung or china wood oil	Free	Free	15 p.c.	Free	Free	Free

27600-1	Mustard seed	Free	Free	10 p.c.	5 p.c. 5 p.c.	5 p.c. 7½ p.c.	10 p.c. 15 p.c.
27605-1	Rape seed	Free	Free	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
27610-1	Sesame seed	Free	Free	10 p.c.	Free	2½ p.c.	15 p.c.
27615-1	Sunflower seed	Free	Free	10 p.c.	5 p.c.	5 p.c.	10 p.c.
	Oilcake and oilcake meal, including pellets or other shapes:						
27701-1	Cottonseed	Free	Free	10 p.c.	Free	Free	Free
27702-1	Linseed	Free	Free	10 p.c.	Free	Free	Free
27703-1	Peanut	Free	Free	10 p.c.	Free	5 p.c.	25 p.c.
27704-1	Soya bean	Free	Free	10 p.c.	Free	Free	Free
27705-1	All other, of vegetable origin	Free	Free	10 p.c.	Free 15 p.c.	Free 20 p.c.	Free 25 p.c.
	Vegetable oils, crude or crude degummed:						
27711-1	Cocoanut	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27712-1	Corn	Free	10 p.c.	15 p.c.	15 p.c.	20 p.c.	25 p.c.
27713-1	Cottonseed	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27714-1	Palm	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27715-1	Palm kernel	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27716-1	Peanut	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27717-1	Rapeseed	Free	10 p.c.	15 p.c.	Free	Free	Free
27718-1	Soya bean	Free	10 p.c.	15 p.c.	15 p.c. Free	20 p.c. Free	25 p.c. Free
27719-1	Sunflower seed	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27720-1	All other, n.o.p., and mixtures of vegetable oils, n.o.p.	Free	10 p.c.	15 p.c.	Various	Various	Various
	Vegetable oils, other than crude or crude degummed:						
27731-1	Cocoanut	12½ p.c.	17½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	17½ p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
27732-1	Corn	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27733-1	Cottonseed	12½ p.c.	17½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	17½ p.c.
27734-1	Palm	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27735-1	Palm kernel	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27736-1	Peanut	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27737-1	Rapeseed	12½ p.c.	17½ p.c.	25 p.c.	Free	Free	Free
27738-1	Soya bean	12½ p.c.	17½ p.c.	25 p.c.	15 p.c. Free	20 p.c. Free	25 p.c. Free
27739-1	Sunflower seed	12½ p.c.	17½ p.c.	25 p.c.	Free	10 p.c.	10 p.c.
27740-1	All other, n.o.p., and mixtures of vegetable oils, n.o.p.	12½ p.c.	17½ p.c.	25 p.c.	Various	Various	Various
27800-1	Soya bean oil for use in the manufacture of paints and varnishes	Free	Free	15 p.c.	Free	Free	Free
27805-1	Vegetable oils for use in canning fish	Free	Free	15 p.c.	Free Various	Free Various	Free Various
27810-1	Olive oil	Free	Free	15 p.c.	Free Free	Free 5 p.c.	Free 20 p.c.
27815-1	Cashew nut shell oil	Free	Free	15 p.c.	Free	Free	Free
27820-1	Soapstocks of vegetable origin with a moisture content of fifty per cent or more by weight, and acid oils of vegetable origin with a free fatty acid content of less than ninety per cent by weight	Free	10 p.c.	15 p.c.	Various	Various	Various

27825–1	Oils, hydrogenated, blown, dehydrated or sulphonated, not including blown or hydrogenated fish, seal or whale oils	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
28110–1	Fire brick, n.o.p.	5 p.c.	14 p.c.	22½ p.c.	5 p.c.	15 p.c.	22½ p.c.
	on and after January 1, 1969	5 p.c.	13 p.c.	22½ p.c.			
	on and after January 1, 1970	5 p.c.	12 p.c.	22½ p.c.			
	on and after January 1, 1971	5 p.c.	11 p.c.	22½ p.c.			
	on and after January 1, 1972	5 p.c.	10 p.c.	22½ p.c.			
28200–1	Building brick and paving brick	12 p.c.	14 p.c.	22½ p.c.	12½ p.c.	15 p.c.	22½ p.c. and $1.00 per ton
	on and after January 1, 1969	11½ p.c.	13 p.c.	22½ p.c.			
	on and after January 1, 1970	11 p.c.	12 p.c.	22½ p.c.			
	on and after January 1, 1971	10½ p.c.	11 p.c.	22½ p.c.			
	on and after January 1, 1972	10 p.c.	10 p.c.	22½ p.c.			
28205–1	Manufactures of clay or cement, n.o.p.	12½ p.c.	16⅔ p.c.	22½ p.c.	12½ p.c.	17½ p.c.	22½ p.c.
	on and after January 1, 1969	12½ p.c.	15⅓ p.c.	22½ p.c.			
	on and after January 1, 1970	12½ p.c.	14⅓ p.c.	22½ p.c.			
	on and after January 1, 1971	12½ p.c.	13⅓ p.c.	22½ p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	22½ p.c.			
28215–1	Grog, produced by calcining fire clay, or in the form of calcined dobbies, fire brick, or other refractory shapes, which have been broken, crushed, or ground, screened to size or not, but not further manufactured, when imported for use exclusively by manufacturers of refractory materials in the manufacture of such materials.....per ton	Free	Free	$1.15	60 cts.; maximum 12½ p.c.	$1.00; maximum 20 p.c.	$1.15; maximum 22½ p.c.
28220–1	Hydraulic cement concrete mixes, wet or dry	10 p.c.	14 p.c.	22½ p.c.	12½ p.c.	17½ p.c.	22½ p.c.
	on and after January 1, 1969	7½ p.c.	10½ p.c.	22½ p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	22½ p.c.			
	on and after January 1, 1971	2½ p.c.	3½ p.c.	22½ p.c.			
	on and after January 1, 1972	Free	Free	22½ p.c.			
28400–1	Drain pipes, sewer pipes and earthenware fittings therefor, chimney linings or vents, chimney tops and inverted blocks, glazed or unglazed, n.o.p.	15 p.c.	22 p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
28410-1	Gypsum tile	15 p.c.	19 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
28415-1	Earthenware tiles, n.o.p.	12½ p.c.	22 p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	35 p.c.			
28700-1	All tableware of china, porcelain, semi-porcelain or white granite, but not to include tea-pots, jugs and similar articles of the type commonly known as earthenware	Free	24 p.c.	35 p.c.	Free	25 p.c.	35 p.c.
	on and after January 1, 1969	Free	23 p.c.	35 p.c.			
	on and after January 1, 1970	Free	22 p.c.	35 p.c.			
	on and after January 1, 1971	Free	21 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
28800-1	Stoneware and Rockingham ware and earthenware, n.o.p.	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
28805-1	Chemical stoneware composed of a non-absorbent vitrified body specially compounded to resist acids or other corrosive reagents	Free	16 p.c.	35 p.c.	Free	17½ p.c.	35 p.c.
	on and after January 1, 1969	Free	14½ p.c.	35 p.c.			
	on and after January 1, 1970	Free	13 p.c.	35 p.c.			
	on and after January 1, 1971	Free	11½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	10 p.c.	35 p.c.			

28900–1	Baths, bathtubs, basins, closets, closet seats and covers, closet tanks, lavatories, urinals, sinks and laundry tubs of earthenware, stone, cement, clay or other material, n.o.p.	12½ p.c.	22 p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	12½ p.c.	21⅓ p.c.	35 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	12½ p.c.	20⅔ p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	35 p.c.			
29000–1	Portland and other hydraulic cement, n.o.p.; cement clinker.....per one hundred pounds	2 cts.	3½ cts.	6 cts.	5 cts.	8 cts.	8 cts.
	on and after January 1, 1969, per one hundred pounds	1½ cts.	3 cts.	6 cts.	2 cts. 15 p.c.	3½ cts. 20 p.c.	6 cts. 25 p.c.
	on and after January 1, 1970, per one hundred pounds	1 ct.	2 cts.	6 cts.			
	on and after January 1, 1971, per one hundred pounds	½ ct.	1 ct.	6 cts.			
	on and after January 1, 1972, per one hundred pounds	Free	Free	6 cts.			
29005–1	White, non-staining Portland cement.....per one hundred pounds	4¾ cts.	7 cts.	8 cts.	5 cts.	8 cts.	8 cts.
	on and after January 1, 1969, per one hundred pounds	4½ cts.	6 cts.	8 cts.			
	on and after January 1, 1970, per one hundred pounds	4¼ cts.	5 cts.	8 cts.			
	on and after January 1, 1971, per one hundred pounds	4 cts.	4 cts.	8 cts.			
29010–1	Lime	12 p.c.	12 p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	9 p.c.	9 p.c.	25 p.c.	5 cts. cwt.	8 cts. cwt.	8 cts. cwt.
	on and after January 1, 1970	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1971	3 p.c.	3 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
29300–1	Plaster of Paris, or gypsum, calcined, and prepared wall plaster, the weight of the package to be included in the weight for duty.....per one hundred pounds	Free	10 cts.	12½ cts.	Free	11 cts.	12½ cts.
	on and after January 1, 1969, per one hundred pounds	Free	9 cts.	12½ cts.			
	on and after January 1, 1970, per one hundred pounds	Free	8 cts.	12½ cts.			
	on and after January 1, 1971, per one hundred pounds	Free	7 cts.	12½ cts.			
	on and after January 1, 1972, per one hundred pounds	Free	6 cts.	12½ cts.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
29400-1	Gypsum, ground, not calcined	8 p.c.	10 p.c.	15 p.c.	10 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	6 p.c.	7½ p.c.	15 p.c.			
	on and after January 1, 1970	4 p.c.	5 p.c.	15 p.c.			
	on and after January 1, 1971	2 p.c.	2½ p.c.	15 p.c.			
	on and after January 1, 1972	Free	Free	15 p.c.			
29525-1	China clay	Free	Free	25 p.c.	Free	Free	25 p.c.
					15 p.c.	20 p.c.	25 p.c.
29615-1	Magnesium carbonate, basic or otherwise, excepting crude rock, n.o.p.	15 p.c.	15 p.c.	30 p.c.	20 p.c.	20 p.c.	30 p.c.
29625-1	Feldspar, ground but not further manufactured	Free	13½ p.c.	30 p.c.	Free	15 p.c.	30 p.c.
	on and after January 1, 1969	Free	12 p.c.	30 p.c.			
	on and after January 1, 1970	Free	10½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	9 p.c.	30 p.c.			
	on and after January 1, 1972	Free	7½ p.c.	30 p.c.			
29650-1	Mica, phlogopite and muscovite, unmanufactured, in blocks, sheets, splittings, films, waste and scrap	8 p.c.	8 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	on and after January 1, 1969	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1970	4 p.c.	4 p.c.	25 p.c.			
	on and after January 1, 1971	2 p.c.	2 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
30000-1	Crucibles, n.o.p., and covers therefor	Free	14 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	on and after January 1, 1969	Free	13 p.c.	15 p.c.			
	on and after January 1, 1970	Free	12 p.c.	15 p.c.			
	on and after January 1, 1971	Free	11 p.c.	15 p.c.			
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
30400-1	Grindstones, mounted or not, n.o.p.	17 p.c.	21½ p.c.	25 p.c.	17½ p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	17 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1970	17 p.c.	19½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			

30500–1	Flagstone, sandstone and all building stone, not hammered, sawn or chiselled	Free	Free	20 p.c.	10 p.c.	10 p.c.	20 p.c.
30510–1	Granite, rough, not hammered or chiselled	Free	Free	20 p.c.	10 p.c.	12½ p.c.	20 p.c.
30520–1	Granite, sawn	Free	7½ p.c.	35 p.c.	Free	15 p.c.	35 p.c.
30525–1	Paving blocks of stone	Free	7½ p.c.	35 p.c.	Free	15 p.c.	35 p.c.
30530–1	Flagstone and building stone, other than marble or granite, sawn on not more than two sides	Free	7½ p.c.	35 p.c.	Free	15 p.c.	35 p.c.
30605–1	Building stone, other than marble or granite, sawn on more than two sides but not sawn on more than four sides	5 p.c.	7½ p.c.	10 p.c.	10 cts. cwt.	20 cts. cwt.	25 cts. cwt.
30610–1	Building stone, other than marble or granite, planed, turned, cut or further manufactured than sawn on four sides	7½ p.c.	12½ p.c.	15 p.c.	30 cts. cwt.	45 cts. cwt.	50 cts. cwt.
30710–1	Granite, n.o.p.	19½ p.c.	23½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	40 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	40 p.c.			
30715–1	Manufactures of granite, n.o.p.	19½ p.c.	23½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	40 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	40 p.c.			
30800–1	Manufactures of stone, n.o.p.	19½ p.c.	25 p.c.	35 p.c.	20 p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	19½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1970	19½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	19½ p.c.	20 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
30900–1	Roofing slate, per square of one hundred square feet	Free	Free	75 cts.	50 cts.	70 cts.	75 cts.
31000–1	Slate mantels and other manufactures of slate, n.o.p.	19½ p.c.	25 p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	19 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
31100-1	Slate pencils and school writing slates	Free	21½ p.c.	25 p.c.	Free	22½ p.c.	25 p.c.
	on and after January 1, 1969	Free	20½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	19½ p.c.	25 p.c.			
	on and after January 1, 1971	Free	18½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	25 p.c.			
31215-1	Yarns, wholly or in part of asbestos, for use in the manufacture of clutch facings and brake linings	7½ p.c.	11½ p.c.	25 p.c.	7½ p.c.	12½ p.c.	25 p.c.
	on and after January 1, 1969	7½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1970	7½ p.c.	9½ p.c.	25 p.c.			
	on and after January 1, 1971	7½ p.c.	8½ p.c.	25 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			
31300-1	Plumbago, not ground or otherwise manufactured	Free	4 p.c.	10 p.c.	Free	5 p.c.	10 p.c.
	on and after January 1, 1969	Free	3 p.c.	10 p.c.			
	on and after January 1, 1970	Free	2 p.c.	10 p.c.			
	on and after January 1, 1971	Free	1 p.c.	10 p.c.			
	on and after January 1, 1972	Free	Free	10 p.c.			
31400-1	Plumbago, ground, and manufactures of, n.o.p., and foundry facings of all kinds	15 p.c.	19 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1970	15 p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
31600-1	Electric light and arc carbons, pointed or not, and contact carbons, n.o.p.	22½ p.c.	22 p.c.	35 p.c.	22½ p.c.	22½ p.c.	35 p.c.
	and, per pound		6 cts.	16 cts.		7½ cts.	20 cts.
	on and after January 1, 1969	22½ p.c.	21½ p.c.	35 p.c.			
	and, per pound		4½ cts.	12 cts.			
	on and after January 1, 1970	22 p.c.	21 p.c.	35 p.c.			
	and, per pound		3 cts.	8 cts.			
	on and after January 1, 1971	21 p.c.	20½ p.c.	35 p.c.			
	and, per pound		1½ cts.	4 cts.			
	on and after January 1, 1972	20 p.c.	20 p.c.	35 p.c.			

	Laminated glass, of sheet glass, plate glass or float glass, or combinations thereof:						
32202–1	N.o.p.	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
32300–1	Manufactures of laminated glass, n.o.p.	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
32606–1	Glass tableware, n.o.p., and illuminating glassware, n.o.p.	10 p.c.	22 p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	32½ p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	32½ p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	32½ p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	32½ p.c.			
32609–1	Opal glassware, n.o.p.	10 p.c.	22 p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	32½ p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	32½ p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	32½ p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	32½ p.c.			
32612–1	Cut glass tableware and cut glassware, n.o.p.	10 p.c.	22 p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	32½ p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	32½ p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	32½ p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	32½ p.c.			
32616–1	Glass beads for cleaning, peening or surface finishing	10 p.c.	16½ p.c.	22½ p.c.	10 p.c.	17½ p.c.	22½ p.c.
	on and after January 1, 1969	10 p.c.	15½ p.c.	22½ p.c.			
	on and after January 1, 1970	10 p.c.	14½ p.c.	22½ p.c.			
	on and after January 1, 1971	10 p.c.	13½ p.c.	22½ p.c.			
	on and after January 1, 1972	10 p.c.	12½ p.c.	22½ p.c.			
32700–1	Spectacles; eyeglasses, and ground or finished spectacle or eyeglass lenses, n.o.p.	19½ p.c.	19½ p.c.	30 p.c.	20 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c	30 p.c.			
33700–1	Lead, old, scrap, pig and block.....per pound	Free	Free	1 ct.	½ ct.	½ ct.	1 ct.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
33800-1	Lead, in bars and in sheets	9 p.c.	9 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	on and after January 1, 1969	8 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1970	7 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
33900-1	Lead, manufactures of, n.o.p.	19½ p.c.	23½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
33905-1	Lead capsules for bottles	Free	21½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	on and after January 1, 1969	Free	20½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	19½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
33910-1	Collapsible tubes of lead or tin or lead coated with tin	10 p.c.	23½ p.c.	30 p.c.	10 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
34505-1	Zinc spelter, zinc, and zinc alloys containing not more than ten per cent by weight of other metal or metals, in the form of pigs, slabs, blocks, dust or granules ....per pound	Free	Free	2 cts.	½ ct.	½ ct.	2 cts.
34710-1	Tungsten rod and tungsten wire	Free	Free	25 p.c.	Free	Free	25 p.c.
34800-1	Copper scrap, matte and blister, and copper in pigs, blocks or ingots; cathode plates of electrolytic copper for melting....per pound	Free	Free	1½ cts.	¾ ct. 15 p.c.	¾ ct. 20 p.c.	1½ cts. 25 p.c.
	Nothing shall be deemed to be copper scrap except waste or refuse copper fit only to be remanufactured in furnaces.						

34815-1	Brass scrap and brass in blocks, ingots or pigs; copper in bars or rods, not less than six feet in length, unmanufactured, n.o.p.; copper in strips, sheets or plates, not polished, planished or coated; brass or copper tubing, in lengths not less than six feet, and not polished, bent or otherwise manufactured.....	5 p.c.	9 p.c.	10 p.c.	5 p.c.	10 p.c.	10 p.c.
	on and after January 1, 1969	5 p.c.	8 p.c.	10 p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	10 p.c.			
	on and after January 1, 1971	5 p.c.	6 p.c.	10 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	10 p.c.			
34820-1	Copper in bars or in rods, when imported by manufacturers of trolley, telegraph and telephone wires, electric wires and electric cables, for use only in the manufacture of such articles in their own factories..	Free	9 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	on and after January 1, 1969	Free	8 p.c.	10 p.c.			
	on and after January 1, 1970	Free	7 p.c.	10 p.c.			
	on and after January 1, 1971	Free	6 p.c.	10 p.c.			
	on and after January 1, 1972	Free	5 p.c.	10 p.c.			
34825-1	Brass or copper tubing, not more than one-half of an inch in diameter, in lengths not less than six feet, coated with metal, and not polished, bent, or otherwise manufactured.....	5 p.c.	9 p.c.	10 p.c.	5 p.c.	10 p.c.	10 p.c.
	on and after January 1, 1969	5 p.c.	8 p.c.	10 p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	10 p.c.			
	on and after January 1, 1971	5 p.c.	6 p.c.	10 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	10 p.c.			
34900-1	Brass in bars and rods, in coil or otherwise, not less than six feet in length, and brass in strips, sheets or plates, not polished, planished or coated.....	5 p.c.	9 p.c.	15 p.c.	5 p.c.	10 p.c.	15 p.c.
	on and after January 1, 1969	5 p.c.	8 p.c.	15 p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	15 p.c.			
	on and after January 1, 1971	5 p.c.	6 p.c.	15 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	15 p.c.			
34905-1	Alloys of copper, n.o.p., containing 50 per cent or more by weight of copper, namely: sheets, plates, strips, bars, rods and tubes.....	7 p.c.	13 p.c.	25 p.c.	7½ p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	6½ p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1970	6 p.c.	9 p.c.	25 p.c.			
	on and after January 1, 1971	5½ p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
34907-1	Copper beryllium alloys, namely: ingots, sheets, plates, strips, bars, rods, tubes and wire	7 p.c.	7 p.c.	25 p.c.	7½ p.c.	7½ p.c.	25 p.c.
	on and after January 1, 1969	6½ p.c.	6½ p.c.	25 p.c.	7½ p.c.	7½ p.c.	35 p.c.
	on and after January 1, 1970	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1971	5½ p.c.	5½ p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
34910-1	Alloys of magnesium, namely: ingots, pigs, sheets, plates, strips, bars, rods and tubes	5 p.c.	9 p.c.	25 p.c.	5 p.c.	10 p.c.	25 p.c.
	on and after January 1, 1969	5 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	5 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
	Metals, n.o.p., not including alloys, in lumps, powders, ingots or blocks:						
35101-1	Other than the following	Free	13 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
	on and after January 1, 1969	Free	11 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1970	Free	9 p.c.	25 p.c.			
	on and after January 1, 1971	Free	7 p.c.	25 p.c.			
	on and after January 1, 1972	Free	5 p.c.	25 p.c.			
35102-1	Cadmium	12 p.c.	16 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	9 p.c.	12 p.c.	25 p.c.			
	on and after January 1, 1970	6 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1971	3 p.c.	4 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
35103-1	Cobalt	Free	8 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
	on and after January 1, 1969	Free	6 p.c.	25 p.c.			
	on and after January 1, 1970	Free	4 p.c.	25 p.c.			
	on and after January 1, 1971	Free	2 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
35105-1	Magnesium	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			

35106-1	Bismuth, n.o.p.	12 p.c.	16 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	9 p.c.	12 p.c.	25 p.c.			
	on and after January 1, 1970	6 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1971	3 p.c.	4 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
35110-1	Cobalt metal, in bars	Free	10 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
35200-1	Brass and copper nails, tacks, rivets and burrs or washers; bells and gongs, n.o.p.; and manufactures of brass or copper, n.o.p.	19½ p.c.	19½ p.c.	30 p.c.	20 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
35215-1	Screws of brass, copper or other metal, n.o.p.	21½ p.c.	27½ p.c.	35 p.c.	22½ p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	20½ p.c.	25 p.c.	35 p.c.			
	on and after January 1, 1970	19½ p.c.	22½ p.c.	35 p.c.			
	on and after January 1, 1971	19½ p.c.	20 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
35220-1	Coin locks of which solid brass or bronze are the components of chief value, plain, polished or plated	15 p.c.	28 p.c.	40 p.c.	15 p.c.	30 p.c.	40 p.c.
	on and after January 1, 1969	15 p.c.	26 p.c.	40 p.c.			
	on and after January 1, 1970	15 p.c.	24 p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	40 p.c.			
	Aluminum and alloys thereof:						
35301-1	Pigs, ingots, blocks, notch bars, slabs, billets, blooms, and wire bars, per pound	Free	1 ct.	5 cts.	Free	1¼ cts.	5 cts.
35302-1	Bars, rods, plates, sheets, strips, circles, squares, discs and rectangles, per pound	Free	2.8 cts.	7.5 cts.	Free	3 cts.	7.5 cts.
	on and after January 1, 1969, per pound	Free	2.6 cts.	7.5 cts.			
	on and after January 1, 1970, per pound	Free	2.4 cts.	7.5 cts.			
	on and after January 1, 1971, per pound	Free	2.2 cts.	7.5 cts.			
	on and after January 1, 1972, per pound	Free	2 cts.	7.5 cts.			
35303-1	Angles, channels, beams, tees and other rolled, drawn or extruded sections and shapes	Free	20⅔ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	on and after January 1, 1969	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	16⅓ p.c.	30 p.c.			
	on and after January 1, 1971	Free	14⅓ p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
35305-1	Pipes and tubes	Free	20½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	on and after January 1, 1969	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	16½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	14½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			
35306-1	Leaf, n.o.p., or foil, less than .005 inch in thickness, plain or embossed, with or without backing	Free	27 p.c.	30 p.c.	Free	30 p.c.	30 p.c.
	on and after January 1, 1969	Free	24 p.c.	30 p.c.			
	on and after January 1, 1970	Free	21 p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
35307-1	Aluminum powder	Free	25 p.c.	30 p.c.	Free	27½ p.c.	30 p.c.
	on and after January 1, 1969	Free	22½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	20 p.c.	30 p.c.			
	on and after January 1, 1971	Free	17½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
35310-1	Granules, cut from ingots, for use in the manufacture of cleaning compounds.....per pound	Free	1 ct.	5 cts.	Free	1½ cts.	5 cts.
35400-1	Manufactures of aluminum, n.o.p.	15 p.c.	20 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
35405-1	Kitchen or household hollow-ware of aluminum, n.o.p.	19½ p.c.	21½ p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	19 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
35410-1	Kitchen or household hollow-ware of nickel, n.o.p.	19½ p.c.	23½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			

35515–1	Nickel, and alloys containing sixty per cent by weight or more of nickel, in powder form	Free	Free	Free	Free	Free	Free
35520–1	Nickel or nickel alloys, namely: matte, sludges, spent catalysts and scrap, and concentrates other than ores	Free	Free	Free	Free	Free	Free
35700–1	Britannia metal, nickel silver, Nevada and German silver, manufactures of, not plated, n.o.p.	15 p.c.	19½ p.c.	40 p.c.	15 p.c.	20 p.c.	40 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	40 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	40 p.c.			
35800–1	Anodes of nickel, zinc, copper, silver or gold	Free	Free	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
36100–1	Gold and silver leaf; Dutch or schlag metal leaf; brocade and bronze powders	12½ p.c.	24 p.c.	30 p.c.	12½ p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	12½ p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	12½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	12½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	30 p.c.			
36200–1	Articles consisting wholly or in part of sterling or other silverware, n.o.p.; manufactures of gold or silver, n.o.p.	17½ p.c.	26½ p.c.	45 p.c.	17½ p.c.	27½ p.c.	45 p.c.
	on and after January 1, 1969	17½ p.c.	25½ p.c.	45 p.c.			
	on and after January 1, 1970	17½ p.c.	24½ p.c.	45 p.c.			
	on and after January 1, 1971	17½ p.c.	23½ p.c.	45 p.c.			
	on and after January 1, 1972	17½ p.c.	22½ p.c.	45 p.c.			
36205–1	Metal parts, electro-plated, for loose-leaf binders	12½ p.c.	12½ p.c.	45 p.c.	17½ p.c.	17½ p.c.	45 p.c.
36210–1	Toilet articles of all kinds, including atomizers, brushes, buffers, button hooks, combs, cuticle knives, hair receivers, hand-mirrors, jewel boxes, manicure scissors, nail files, perfume bottles, puff jars, shoe horns, trays and tweezers, of which the manufactured component material of chief value is sterling silver	15 p.c.	24 p.c.	45 p.c.	15 p.c.	25 p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	23 p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	45 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
36215-1	Nickel-plated ware, gilt or electro-plated ware, n.o.p.	15 p.c.	20 p.c.	45 p.c.	15 p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	45 p.c.			
36220-1	Cigar and cigarette lighters, n.o.p., nickel-plated, gilt or electro-plated	15 p.c.	22 p.c.	45 p.c.	15 p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	45 p.c.			
36505-1	Findings of metal, not plated or coated, including stampings, trimmings, spring-rings, bolt-rings, clasps, snaps, swivels, vest chain bars, joints, catches, pin tongues, buckle tongues, coil pins, clip actions, settings and eyepins, when imported by manufacturers of jewellery or ornaments for the adornment of the person, for use exclusively in the manufacture of such articles, in their own factories	14½ p.c.	18½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1970	13½ p.c.	15½ p.c.	30 p.c.			
	on and after January 1, 1971	13 p.c.	14 p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	30 p.c.			
36600-1	Watches of all kinds	19 p.c.	28 p.c.	35 p.c.	20 p.c.	30 p.c.	35 p.c.
	but not less than ... each		32 cts.	40 cts.		40 cts.	40 cts.
	on and after January 1, 1969	18 p.c.	26 p.c.	35 p.c.			
	but not less than ... each		24 cts.	40 cts.			
	on and after January 1, 1970	17 p.c.	24 p.c.	35 p.c.			
	but not less than ... each		16 cts.	40 cts.			
	on and after January 1, 1971	17 p.c.	22 p.c.	35 p.c.			
	but not less than ... each		8 cts.	40 cts.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
	but not less than ... each			40 cts.			

36605–1	Watch actions and movements, finished or unfinished	Free	14 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	but not less than.....each		32 cts.	40 cts.		40 cts.	40 cts.
	on and after January 1, 1969	Free	13 p.c.	15 p.c.			
	but not less than.....each		24 cts.	40 cts.			
	on and after January 1, 1970	Free	12 p.c.	15 p.c.			
	but not less than.....each		16 cts.	40 cts.			
	on and after January 1, 1971	Free	11 p.c.	15 p.c.			
	but not less than.....each		8 cts.	40 cts.			
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
	but not less than.....each			40 cts.			
36610–1	Parts of watch movements, finished or unfinished....	Free	14 p.c.	15 p.c.	Free	15 p.c.;	15 p.c.;
	on and after January 1, 1969	Free	13 p.c.	15 p.c.		minimum	minimum
	on and after January 1, 1970	Free	12 p.c.	15 p.c.		5 cts. per	10 cts. per
	on and after January 1, 1971	Free	11 p.c.	15 p.c.		plate	plate
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
36700–1	Watch cases, and parts thereof, finished or unfinished	15 p.c.	22 p.c.	45 p.c.	15 p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	45 p.c.			
36800–1	Clocks, time recorders, clock movements, clockwork mechanisms, and clock cases.....	15 p.c.	29 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.
	but not less than.....each		32 cts.	50 cts.		40 cts.	50 cts.
	on and after January 1, 1969	15 p.c.	28 p.c.	35 p.c.			
	but not less than.....each		24 cts.	50 cts.			
	on and after January 1, 1970	15 p.c.	27 p.c.	35 p.c.			
	but not less than.....each		16 cts.	50 cts.			
	on and after January 1, 1971	15 p.c.	26 p.c.	35 p.c.			
	but not less than.....each		8 cts.	50 cts.			
	on and after January 1, 1972	15 p.c.	25 p.c.	35 p.c.			
	but not less than.....each			50 cts.			
36900–1	Parts of clock movements or of clockwork mechanisms, finished or unfinished, not including plates..	10 p.c.	22½ p.c.	25 p.c.	10 p.c.	25 p.c.	25 p.c.
	on and after January 1, 1969	10 p.c.	20 p.c.	25 p.c.			
	on and after January 1, 1970	10 p.c.	17½ p.c.	25 p.c.			
	on and after January 1, 1971	10 p.c.	15 p.c.	25 p.c.			
	on and after January 1, 1972	10 p.c.	12½ p.c.	25 p.c.			
37000–1	Copper rollers, and stones, used in the printing of textile fabrics or wallpaper.....	Free	8 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	on and after January 1, 1969	Free	6 p.c.	10 p.c.			
	on and after January 1, 1970	Free	4 p.c.	10 p.c.			
	on and after January 1, 1971	Free	2 p.c.	10 p.c.			
	on and after January 1, 1972	Free	Free	10 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
37400-1	Pig iron, n.o.p.....per ton	$1.20	$2.00	$2.50	$1.50	$2.50	$2.50
	on and after January 1, 1969, per ton	90 cts.	$1.50	$2.50			
	on and after January 1, 1970, per ton	60 cts.	$1.00	$2.50			
	on and after January 1, 1971, per ton	30 cts.	50 cts.	$2.50			
	on and after January 1, 1972, per ton	Free	Free	$2.50			
	Ferro-alloys:						
37501-1	Ferro-manganese, spiegeleisen and other alloys of manganese and iron containing not more than 1 per cent, by weight, of silicon—per pound, or fraction thereof, on the manganese contained therein.....	Free	0.9 ct.	1.25 cts.	Free	1 ct.	1.25 cts.
	on and after January 1, 1969	Free	0.8 ct.	1.25 cts.			
	on and after January 1, 1970	Free	0.7 ct.	1.25 cts.			
	on and after January 1, 1971	Free	0.6 ct.	1.25 cts.			
	on and after January 1, 1972	Free	0.5 ct.	1.25 cts.			
37502-1	Silico-manganese, silico spiegel and other alloys of manganese and iron containing more than 1 per cent, by weight, of silicon—per pound or fraction thereof, on the manganese contained therein.....	Free	1.35 cts.	1.75 cts.	Free	1.5 cts.	1.75 cts.
	on and after January 1, 1969	Free	1.20 cts.	1.75 cts.			
	on and after January 1, 1970	Free	1.05 cts.	1.75 cts.			
	on and after January 1, 1971	Free	0.90 cts.	1.75 cts.			
	on and after January 1, 1972	Free	0.75 ct.	1.75 cts.			
37503-1	Ferro-silicon, being an alloy of iron and silicon containing 8 per cent or more, by weight, of silicon and less than 60 per cent—per pound, or fraction thereof, on the silicon contained therein.....	Free	0.8 ct.	1.75 cts.	Free	1 ct.	1.75 cts.
	on and after January 1, 1969	Free	0.6 ct.	1.75 cts.			
	on and after January 1, 1970	Free	0.4 ct.	1.75 cts.			
	on and after January 1, 1971	Free	0.2 ct.	1.75 cts.			
	on and after January 1, 1972	Free	Free	1.75 cts.			

37504–1	Ferro-silicon, being an alloy of iron and silicon containing 60 per cent or more, by weight, of silicon and less than 90 per cent—per pound, or fraction thereof, on the silicon contained therein.....	Free	1.15 cts.	2.75 cts.	Free	1.25 cts.	2.75 cts.
	on and after January 1, 1969	Free	1.05 cts.	2.75 cts.			
	on and after January 1, 1970	Free	0.95 ct.	2.75 cts.			
	on and after January 1, 1971	Free	0.85 ct.	2.75 cts.			
	on and after January 1, 1972	Free	0.75 ct.	2.75 cts.			
37505–1	Ferro-silicon, being an alloy of iron and silicon containing 90 per cent or more, by weight, of silicon—per pound, or fraction thereof, on the silicon contained therein.....	Free	4½ cts.	5½ cts.	Free	5 cts.	5½ cts.
	on and after January 1, 1969	Free	4 cts.	5½ cts.			
	on and after January 1, 1970	Free	3½ cts.	5½ cts.			
	on and after January 1, 1971	Free	3 cts.	5½ cts.			
	on and after January 1, 1972	Free	2½ cts.	5½ cts.			
37700–1	Ingots of iron or steel, n.o.p.....per ton	Free	$2.40	$5.00	Free	$3.00	$5.00
	on and after January 1, 1969, per ton	Free	$1.80	$5.00			
	on and after January 1, 1970, per ton	Free	$1.20	$5.00			
	on and after January 1, 1971, per ton	Free	60 cts.	$5.00			
	on and after January 1, 1972, per ton	Free	Free	$5.00			
37905–1	Bars or rods of iron or steel, as described in tariff item 37900–1, cold-rolled or cold-drawn.....	5 p.c.	14½ p.c.	25 p.c.	5 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	5 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	5 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	12½ p.c.	25 p.c.			
37910–1	Bars or rods of iron or steel, as described in tariff item 37900–1, further processed than hot- or cold-rolled or cold-drawn, or otherwise processed.....	5 p.c.	14½ p.c.	25 p.c.	5 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	5 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	5 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	12½ p.c.	25 p.c.			
37950–1	Shapes or sections of iron or steel, n.o.p., not further manufactured than extruded or drawn.....	10 p.c.	14½ p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	14 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	13½ p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	13 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	12½ p.c.	35 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
38010-1	Iron or steel angles, beams, channels, columns, girders, joists. piling, tees, zees, and other shapes or sections, punched, drilled or further manufactured than hot-rolled, n.o.p.	17 p.c.	20 p.c.	40 p.c.	17½ p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	17 p.c.	19 p.c.	40 p.c.			
	on and after January 1, 1970	17 p.c.	18½ p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	40 p. c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	40 p.c.			
38105-1	Plate of iron or steel, flanged or dished	5 p.c.	19 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	5 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	5 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	5 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	5 p.c.	15 p.c.	30 p.c.			
38110-1	Plate of iron or steel, n.o.p.	5 p.c.	14½ p.c.	25 p.c.	5 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	5 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	5 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	12½ p.c.	25 p.c.			
	Sheet or strip of iron or steel, corrugated or not, and whether or not with rolled surface pattern:						
38202-1	Cold-rolled or cold-drawn	5 p.c.	14½ p.c.	25 p.c.	5 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	5 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	5 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	12½ p.c.	25 p.c.			
38203-1	Coated with tin or vitreous enamel	10 p.c.	14½ p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	10 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	10 p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	10 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	10 p.c.	12½ p.c.	25 p.c.			
38204-1	Coated with zinc	7½ p.c.	14½ p.c.	25 p.c.	7½ p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	7½ p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	7½ p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	7½ p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	7½ p.c.	12½ p.c.	25 p.c.			

38205-1	Coated, n.o.p.	7½ p.c.	14½ p.c.	20 p.c.	7½ p.c.	15 p.c.	20 p.c.
	on and after January 1, 1969	7½ p.c.	14 p.c.	20 p.c.			
	on and after January 1, 1970	7½ p.c.	13½ p.c.	20 p.c.			
	on and after January 1, 1971	7½ p.c.	13 p.c.	20 p.c.			
	on and after January 1, 1972	7½ p.c.	12½ p.c.	20 p.c.			
38715-1	Railway intersection layouts, intersections, switches, crossings, frogs, guard rails, of iron or steel	15 p.c.	23½ p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
39000-1	Castings, of iron or steel, in the rough, n.o.p.	15 p.c.	17 p.c.	27½ p.c.	15 p.c.	17½ p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	16½ p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	16 p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	15½ p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	27½ p.c.			
39200-1	Forgings, of iron or steel, in any degree of manufacture, n.o.p.	17 p.c.	20 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	17 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	17 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
39205-1	Forgings of iron or steel, hollow, rough-machined or not, not less than twelve inches in internal diameter; all other forgings, solid or otherwise, rough-turned or rough-machined or not, of a weight of twenty tons or more	5 p.c.	19½ p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	5 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	5 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	5 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	5 p.c.	17½ p.c.	30 p.c.			
	Axles and axle bars, n.o.p., and axle blanks, and parts thereof, of iron or steel:						
39401-1	For railway vehicles, including locomotives and tenders	7½ p.c.	20 p.c.	30 p.c.	7½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	7½ p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	7½ p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	7½ p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	7½ p.c.	17½ p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
39402-1	For other vehicles, n.o.p.	20 p.c.	20 p.c.	35 p.c.	22½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
39403-1	N.o.p.	19½ p.c.	20 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	18½ p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	18 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
39700-1	Pipes or tubes of iron or steel, n.o.p., with plain or processed ends, whether or not coated or lined	12½ p.c.	19½ p.c.	30 p.c.	12½ p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	12½ p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	12½ p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	12½ p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	30 p.c.			
40000-1	Fittings and couplings of iron or steel, n.o.p., for pipes and tubes; parts therefor	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
40005-1	Fittings and couplings of iron or steel, not further manufactured than forged or bent to shape, whether or not deburred or descaled, for use in the manufacture of fittings and couplings	Free	10 p.c.	25 p.c.	Free 10 p.c.	10 p.c. 22½ p.c.	25 p.c. 35 p.c.
	Wire of iron or steel, single:						
40101-1	Round, n.o.p.	2½ p.c.	7½ p.c.	20 p.c.	15 p.c. Various	15 p.c. Various	20 p.c. Various
40102-1	Other than round, n.o.p.	5 p.c.	10 p.c.	20 p.c.	7½ p.c. 15 p.c. Various	20 p.c. 15 p.c. Various	20 p.c. 20 p.c. Various

40103–1	Coated or covered with any material, n.o.p.....	5 p.c.	10 p.c.	20 p.c.	10 p.c. 15 p.c. Various	20 p.c. 25 p.c. Various	20 p.c. 30 p.c. Various
40104–1	Valued at not less than two and three-quarter cents per pound for use in the manufacture of wire rope..	Free	5 p.c.	7½ p.c.	Free	5 p.c.	7½ p.c.
	Products of wire of iron or steel, namely:						
40111–1	Barbed wire.....	Free	10 p.c.	20 p.c.	Free	10 p.c.	10 p.c.
40112–1	Cloth, fencing, mesh, netting and screening.....	7½ p.c.	12½ p.c.	25 p.c.	17½ p.c. 10 p.c. Various	25 p.c. 22½ p.c. Various	35 p.c. 35 p.c. Various
40113–1	Wire rope and strand, n.o.p.; wires, twisted, braided, bunched or otherwise conjoined, n.o.p.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. Various	25 p.c. Various	25 p.c. Various
40114–1	Wire rope or cable, coated or not, for use exclusively in commercial fishing operations.....	Free	10 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
	Wire of all metals or alloys thereof, n.o.p.:						
40121–1	Single, not coated or covered.....	7½ p.c.	12½ p.c.	25 p.c.	10 p.c. Free	20 p.c. 15 p.c.	35 p.c. 35 p.c.
40122–1	Single, coated or covered.....	10 p.c.	15 p.c.	25 p.c.	20 p.c. 10 p.c.	20 p.c. 20 p.c.	30 p.c. 35 p.c.
40123–1	Twisted, braided, bunched or otherwise conjoined, whether or not reinforced with steel, coated or covered or not, including cable, rope and strand..	12½ p.c.	17½ p.c.	25 p.c.	20 p.c. 17½ p.c.	20 p.c. 22½ p.c.	30 p.c. 25 p.c.
40130–1	Wire cloth or woven wire including fourdrinier wire cloth, of copper or alloys of copper containing 50 per cent or more by weight of copper.....	12½ p.c.	17½ p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
	Springs, of iron or steel:						
40401–1	For the running and draft gear of railway vehicles, including locomotives and tenders.....	19½ p.c.	25 p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	22½ p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	20 p.c.	30 p c.			
	on and after January 1, 1971	17½ p.c.	17½ p.c.	30 p.c.			
40402–1	For the running gear of other vehicles, n.o.p.....	21½ p.c.	25 p.c.	35 p.c.	22½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	20½ p.c.	22½ p.c.	35 p.c.			
	on and after January 1, 1970	19½ p.c.	20 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	17½ p.c.	35 p.c.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
40510-1	Furniture springs	19½ p.c.	23½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
	Coil chain, coil chain links, including repair links, and chain shackles, of iron or steel:						
40602-1	Less than one and one-eighth inches in diameter	15 p.c.	21½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			
40705-1	Chains, of iron or steel, n.o.p., and complete parts thereof	15 p.c.	20 p.c.	25 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			
40954-1	Poultry processing equipment, namely: plucking, scalding, washing, singeing, eviscerating and packaging equipment; parts of the foregoing	Free	Free	35 p.c.	Free	5 p.c.	35 p.c.
40960-1	Roofs, chutes, ladders, wall sections with or without doors incorporated therein, materials and parts; all of the foregoing for the construction or repair of silos for storing ensilage	10 p.c.	10 p.c.	25 p.c.	10 p.c. 17½ p.c.	17½ p.c. 20 p.c.	35 p.c. 25 p.c.
41110-1	Cylinder stave saws, wheel type stave jointers, crozing and champhering machinery, and complete parts thereof	10 p.c.	12½ p.c.	20 p.c.	10 p.c.	15 p.c.	20 p.c.

41430-1	Cash registers	20 p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	20 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	20 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	20 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	30 p.c.			
41515-1	Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines	15 p.c.	22 p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
41520-1	Clothes wringers, domestic, and complete parts of metal thereof	20 p.c.	22 p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	20 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	20 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	20 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	35 p.c.			
41535-1	Carpet sweepers	19 p.c.	24 p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	18 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	17 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	17 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
41540-1	Domestic clothes drying machines, and parts thereof	10 p.c.	22 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
41545-1	Domestic combination clothes washing and drying machines, and parts thereof	10 p.c.	22 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
42400-1	Fire engines and other fire extinguishing machines and chassis for same; complete parts other than chassis parts	Free	19½ p.c.	35 p.c.	Free	20 p.c.	35 p.c.
	on and after January 1, 1969	Free	19 p.c.	35 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	35 p.c.			
	on and after January 1, 1971	Free	18 p.c.	35 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	35 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
42405-1	Hand fire extinguishers, and sprinkler heads for automatic sprinkler systems for fire protection.....	19½ p.c.	19½ p.c.	35 p.c.	20 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
42505-1	Power lawn mowers, self-propelled or not, whether or not containing the power unit.....	15 p.c.	19½ p.c.	32½ p.c.	15 p.c.	20 p.c.	32½ p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	32½ p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	32½ p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	32½ p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	32½ p.c.			
42515-1	Lawn mowers, n.o.p.....	10 p.c.	21 p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1969	10 p.c.	19½ p.c.	32½ p.c.			
	on and after January 1, 1970	10 p.c.	18 p.c.	32½ p.c.			
	on and after January 1, 1971	10 p.c.	16½ p.c.	32½ p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	32½ p.c.			
42610-1	Veneer-drying machines, and complete parts thereof.	4 p.c.	4 p.c.	35 p.c.	5 p.c.	5 p.c.	35 p.c.
	on and after January 1, 1969	3 p.c.	3 p.c.	35 p.c.			
	on and after January 1, 1970	2 p.c.	2 p.c.	35 p.c.			
	on and after January 1, 1971	1 p.c.	1 p.c.	35 p.c.			
	on and after January 1, 1972	Free	Free	35 p.c.			
42700-1	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing.....	2½ p.c.	15 p.c.	35 p.c.	10 p.c. Free Various	22½ p.c. 7½ p.c. Various	35 p.c. 35 p.c. Various
	Except that in the case of the importation into Canada of any goods enumerated in this item, the Governor in Council on the recommendation of the Minister of Industry may, whenever he considers						

	that it is in the public interest and that the goods are not available from production in Canada, remit the duty specified in this item applicable to the goods, and subsections (2), (3), (4), (5) and (8) of section 22 of the Financial Administration Act apply in the case of a remission granted under this provision.						
42729-1	Ball and roller bearings, n.o.p.; parts thereof.....	Free	15 p.c.	35 p.c.	Free	17½ p.c.	35 p.c.
42732-1	Machinery and apparatus for dairying purposes, namely: power churns, power milk coolers, power ice cream mixers, power butter printers, power cream savers, power bottle sterilizers, power brine tanks, valveless or centrifugal milk pumps, sanitary milk and cream vats; none of the foregoing machinery to include motive power; parts of all the foregoing.....	Free	15 p.c.	35 p.c.	Free	15 p.c.	35 p.c.
42733-1	Machinery for dairying purposes, namely: power fillers and cappers, power milk bottle washers, power milk can washers, ice-breaking machines; none of the foregoing machinery to include motive power; parts of all the foregoing.....	Free	7½ p.c.	35 p.c.	Free	15 p.c.	35 p.c.
42738-1	Automatic machines for making and packaging cigars and cigarettes, not to include tobacco-preparing machines; parts thereof.....	Free	Free	35 p.c.	Free	7½ p.c.	35 p.c.
	Machines and tools, including blades, loaders, rippers, rakes and related operating and controlling gear; all the foregoing for use on internal combustion tractors entitled to entry under tariff item 40938-1:						
42761-1	Of a class or kind made in Canada; parts thereof...	2½ p.c.	15 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
42762-1	Of a class or kind not made in Canada; parts thereof	Free	Free	35 p.c.	Free	7½ p.c.	35 p.c.
42805-1	Engines or boilers and complete parts thereof, n.o.p..	15 p.c.	19 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
42815-1	Diesel and semi-diesel engines, and complete parts thereof, n.o.p.	Free	19 p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	18 p.c.	30 p.c.			
	on and after January 1, 1970	Free	17 p.c.	30 p.c.			
	on and after January 1, 1971	Free	16 p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
42817-1	Diesel and semi-diesel engines of 500 horsepower or less, and complete parts thereof, n.o.p.	Free	17 p.c.	30 p.c.	Free	17½ p.c.	30 p.c.
	on and after January 1, 1969	Free	16½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	16 p.c.	30 p.c.			
	on and after January 1, 1971	Free	15½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
42820-1	Air-cooled internal combustion engines of not greater than 1½ h.p. rating, and complete parts thereof	Free	19 p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	18 p.c.	30 p.c.			
	on and after January 1, 1970	Free	17 p.c.	30 p.c.			
	on and after January 1, 1971	Free	16 p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
	Cutlery of iron or steel, plated or not:						
42907-1	Razors and complete parts thereof; razor blades, n.o.p.	Free	23½ p.c.	30 p.c.	Free	25 p.c.	30 p.c.
	on and after January 1, 1969	Free	22 p.c.	30 p.c.			
	on and after January 1, 1970	Free	20½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	19 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
42908-1	Safety razor blades	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	19 p.c.	30 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			

43000-1	Nuts and bolts with or without threads, washers, rivets, of iron or steel, coated or not, n.o.p.; nut and bolt blanks, of iron and steel	7½ p.c.	17½ p.c.	30 p.c.	7½ p.c. and 25 cts. cwt.	17½ p.c. and 50 cts. cwt.	25 p.c. and 75 cts. cwt.
43005-1	Hinges and butts, of iron or steel, coated or not, n.o.p.; hinge and butt blanks, of iron or steel	5 p.c.	17½ p.c.	30 p.c.	5 p.c. and 75 cts. cwt.	20 p.c. and 75 cts. cwt.	30 p.c. and 75 cts. cwt.
43010-1	Screws, of iron or steel, coated or not	15 p.c.	17½ p.c.	30 p.c.	15 p.c. 15 p.c.	20 p.c. 17½ p.c. and 50 cts. cwt.	30 p.c. 30 p.c.
43025-1	Wire nails less than one inch in length, and nails or tacks of all kinds, n.o.p., of iron or steel, coated or not	10 p.c.	20 p.c.	30 p.c.	10 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
43030-1	Railway spikes, of iron or steel, coated or not	19½ p.c.	27½ p.c.	30 p.c.	20 p.c.	30 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	25 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	22½ p.c.	30 p.c.			
	on and after January 1, 1971	19½ p.c.	20 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
43035-1	Spikes, of iron or steel, coated or not, n.o.p.	19½ p.c.	27½ p.c.	30 p.c.	20 p.c.	30 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	25 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	22½ p.c.	30 p.c.			
	on and after January 1, 1971	19½ p.c.	20 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
43120-1	Adzes, anvils, vises, cleavers, hatchets, saws, augers, bits, drills, screw-drivers, planes, spokeshaves, chisels, mallets, metal wedges, wrenches, sledges, hammers, crowbars, cantdogs, and track tools, picks, mattocks, and eyes or polls for the same	10 p.c.	22 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
43135-1	Measuring rules and tapes of all kinds	15 p.c.	21½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
43140-1	Files and rasps	Free	21½ p.c.	35 p.c.	Free	22½ p.c.	35 p.c.
	on and after January 1, 1969	Free	20½ p.c.	35 p.c.			
	on and after January 1, 1970	Free	19½ p.c.	35 p.c.			
	on and after January 1, 1971	Free	18½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	35 p.c.			
43200-1	Hollow-ware, of iron or steel, coated or not, n.o.p.	10 p.c.	19½ p.c.	30 p.c.	10 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
43205-1	Kitchen and dairy hollow-ware of iron or steel, coated with tin, including cans for shipping milk or cream, not painted, japanned or decorated	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
43210-1	Hollow-ware, of iron or steel, coated with vitreous enamel	17 p.c.	21½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
43215-1	Containers manufactured from tinplate, when imported by manufacturers of food products for use exclusively in the hermetical sealing of food products, in their own factories, under regulations prescribed by the Minister	10 p.c.	17½ p.c.	25 p.c.	10 p.c.	20 p.c.	25 p.c.
43220-1	Manufactures of tinplate, painted, japanned, decorated or not, and manufactures of tin, n.o.p.	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			

43405-1	Locomotives and motor cars for railways, for use exclusively in mining, metallurgical or sawmill operations, n.o.p., and chassis, tops, wheels and bodies for the same, n.o.p.	15 p.c.	19½ p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
43410-1	Locomotives for use on railways, and chassis, tops, wheels and bodies for the same, n.o.p.	15 p.c.	23½ p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
43420-1	Steel wheels for use on railway rolling stock, n.o.p.	7½ p.c.	25½ p.c.	30 p.c.	7½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	7½ p.c.	23½ p.c.	30 p.c.	7½ p.c.	27½ p.c.	30 p.c.
	on and after January 1, 1970	7½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1971	7½ p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1972	7½ p.c.	17½ p.c.	30 p.c.			
43430-1	Rolled steel wheels in one piece in the rough, not drilled nor machined in any manner, for railway vehicles, including locomotives and tenders, when imported for use in the manufacture of steel wheels for use on railway rolling stock	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	19 p.c.	30 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
43800-1	Railway cars and parts thereof, n.o.p.	15 p.c.	21½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
43803-1	Automobiles and motor vehicles of all kinds, n.o.p.; electric trackless trolley buses; chassis for all the foregoing	Free	17 p.c.	27½ p.c.	Free	17½ p.c.	27½ p.c.
	on and after January 1, 1969	Free	16½ p.c.	27½ p.c.			
	on and after January 1, 1970	Free	16 p.c.	27½ p.c.			
	on and after January 1, 1971	Free	15½ p.c.	27½ p.c.			
	on and after January 1, 1972	Free	15 p.c.	27½ p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
43803-1 (*Cont'd*)	Machines or other articles mounted on the foregoing or attached thereto for purposes other than loading or unloading the vehicle shall be valued separately and duty assessed under the tariff items regularly applicable thereto. Bearings, clutch release, with or without collar attached; Bearings, graphite; Bearings, steel or bronze backed, with non-ferrous metal lining, parts and materials therefor; Bearings, steering knuckle thrust; Bushings or sleeve bearings of bronze or powdered metal; Bushings, graphited or oil impregnated; Ceramic insulator spark plug cores not further manufactured than burned and glazed, printed or decorated or not, without fittings; Collars, crankshaft thrust; Compressors and parts thereof, air; Commutator copper segments; commutator insulating end rings; Tapered discs of hot-rolled steel, with or without centre hole, for disc wheels; Diaphragms for fuel and vacuum pumps; Distributor rotors and cam assemblies; Door bumper shoes; Electric wiring terminals, sockets, fittings and connectors and parts and combinations thereof, including brackets and fittings permanently attached thereto, but not to include battery terminals; Gaskets of any material except cork or felt, composite or not, parts and materials therefor; Ignition contact points; Keys for shafting;						

	Auxiliary driving control kits, designed for attachment to motor vehicles to facilitate their operation by physically disabled persons, and parts thereof; Laminated composition plastic timing gear blanks; Lenses of glass for motor vehicle lamps and for light reflectors; Lock washers; Magnetic plugs; Metal frames for convertible soft tops; Permanent mould pistons for brake master cylinders; Piston ring castings in the rough, with or without gates and fins removed; Propeller shaft tubes of steel bonded by rubber; Rails of lock seam section, corners, locks and catches, unplated ventilators and parts thereof, the foregoing being of metal other than aluminum, for the manufacture of window sashes for bus bodies; Shift control, electric, for two speed rear axles; Steel bolts, studs, plugs, rivets or nuts, capped with stainless steel, and parts thereof; Switches, relays, circuit breakers and solenoids and combinations and parts thereof, including starter switch assemblies; Synchronizing cones or blocking rings for transmissions; Vacuum, hydraulic or air control assemblies and parts thereof; Vulcanized fibre in sheets, rods, strips and tubings; Parts of all the foregoing; All of the foregoing for use in the manufacture or repair of goods enumerated in tariff items 41006-1, 42400-1 and 43803-1, or for use in the manufacture of parts therefor:						
43807-1	When of a class or kind made in Canada.....	Free	16½ p.c.	30 p.c.	Free	17½ p.c.	30 p.c.
	on and after January 1, 1969	Free	15½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	14½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	13½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			
	Ammeters; Arm rests and wheel housing lining of indurated fibre, pressed to shape; Axle housings, one piece welded, machined or not, including parts welded thereto;						

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
(*Cont'd*)	Carburetors;						
	Chassis frames and steel shapes for the manufacture thereof;						
	Cigar and cigarette lighters, whether in combination with a cigarette holder or not, including base;						
	Composite frame and floor structure of metal in the rough;						
	Control ventilator gear box;						
	Cylinder lock barrels, with or without sleeves and keys therefor;						
	Dash heat indicators;						
	Door opening weatherseal retainers;						
	Engine speed governor units;						
	External ornaments unplated, including name plates, letters and numerals, but not including finish or decorative mouldings;						
	Fluid couplings with or without drive plate assemblies;						
	Gauges, gasoline, oil or air;						
	Grilles not plated, polished or not before assembly, and parts thereof not plated or polished after final forming, casting or piercing, not including added finish or decorative mouldings;						
	Hinges, finished or not, for bodies;						
	Horns;						
	Instrument bezel assemblies; instrument board lamps; instrument panel, glove compartment, luggage compartment, hood compartment and door step lamps and wire assemblies;						
	Instrument board panels of moulded or laminated glass fibres and plastic;						
	Locks, electric ignition, steering gear, transmission, or combinations of such locks;						
	Mouldings of metal, with nails or prongs set in position, lead filled or not;						

	Oil filter parts, namely: perforated filter refill oil board bodies, refill and discs, and roll-seam perforated tubes; Ornaments and identification plates of metal, unplated, not including finished or decorative mouldings; Pipe lines of tubing, rigid, covered or not, with or wihout fittings, and tubing therefor; Purifiers for gasoline, including brackets and fittings therefor; Radiator shutter assemblies, automatic; Radiator water gauges; Radiator shells not plated nor metal finished in any degree; Reclining seat mechanisms; Shackles, bearing spring; Speedometers; Spring covers of metal and closing strips or shapes therefor; Stampings, body, cowl, fender, front end, hood, instrument board, shields and baffles, of plain or coated metal, in the rough, trimmed or not, whether or not welded in any manner before final forming or piercing, but not metal finished in any degree, including such stampings incorporating pierce or clinch nuts; Steering wheels, rims and spiders therefor; Sun visor blanks of gypsum weatherboard; Swivel seat mechanisms; Tachometers, with or without tachographs, both electric and gear driven; Thermostatic controls; Throttle, spark, choke, and hood lock release assemblies, including buttons therefor; Torque converters; Auxiliary transmission overdrive units and controls therefor; Universal joint ball assemblies; Windshield and window wipers; Parts of all the foregoing, including brackets, fittings and connections therefor;						
43810–1	All of the foregoing when for use in the manufacture or repair of the goods enumerated in tariff items 41006–1, 42400–1 and 43803–1, or for use in the manufacture of parts therefor.....	Free	16½ p.c.	30 p.c.	Free	17½ p.c.	30 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
43810-1 (*Cont'd*)	on and after January 1, 1969	Free	15½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	14½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	13½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			
	Air cleaners;						
	Axles, front and rear;						
	Bell or clutch housings for vehicles having a gross vehicle weight rating of over 19,500 pounds;						
	Brakes;						
	Brake drums;						
	Cast aluminum road wheels for tube type tires using rim sizes larger than twenty inches by eight inches and for tubeless type tires using rim sizes larger than twenty-two and one-half inches by eight and one-quarter inches;						
	Clutches;						
	Drive shafts;						
	Fuel pumps;						
	Hubs;						
	Hydraulic or fluid couplings;						
	Internal combustion engines over 348 cubic inches in displacement;						
	Linkages and controls for use with clutches, transmission assemblies, power dividers or transfer cases, when the main assemblies are of a class or kind not made in Canada;						
	Magnetos;						
	Power dividers or transfer cases;						
	Rims for pneumatic tires;						
	Spring shrouds, spring seats, and spring anchor plates of metal for vehicles having a gross vehicle weight rating of over 19,500 pounds;						
	Steel road wheels;						
	Steering drag links for vehicles having a gross vehicle weight rating of 20,000 pounds or over;						
	Steering gears;						
	Tandem axle suspensions, not to include springs;						
	Transmission assemblies;						
	Universal joints;						

	Parts of the foregoing;						
	All of the foregoing when of a class or kind not made in Canada, and						
43819–1	For the manufacture of motor trucks, motor buses, electric trackless trolley buses, fire fighting vehicles, ambulances, hearses, and the chassis for same	Free	16½ p.c.	27½ p.c.	Free	17½ p.c.	27½ p.c.
	on and after January 1, 1969	Free	15½ p.c.	27½ p.c.			
	on and after January 1, 1970	Free	14½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	13½ p.c.	27½ p.c.			
	on and after January 1, 1972	Free	12½ p.c.	27½ p.c.			
	Internal combustion engines of 348 cubic inches and under in displacement;						
	Parts of the foregoing;						
	All of the foregoing when of a class or kind not made in Canada, and						
43824–1	For the manufacture of motor trucks, motor buses, electric trackless trolley buses, fire fighting vehicles, ambulances, hearses, and the chassis for same	Free	16½ p.c.	27½ p.c.	Free	17½ p.c.	27½ p.c.
	on and after January 1, 1969	Free	15½ p.c.	27½ p.c.			
	on and after January 1, 1970	Free	14½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	13½ p.c.	27½ p.c.			
	on and after January 1, 1972	Free	12½ p.c.	27½ p.c.			
43829–1	Parts, n.o.p., electro-plated or not, whether finished or not, for automobiles, motor vehicles, electric trackless trolley buses, fire fighting vehicles, ambulances and hearses, or chassis enumerated in tariff items 42400–1 and 43803–1, including engines, but not including ball or roller bearings, wireless receiving sets, die castings of zinc, electric storage batteries, parts of wood, tires and tubes or parts of which the component material of chief value is rubber	Free	23 p.c.	35 p.c.	Free	25 p.c.	35 p.c.
	on and after January 1, 1969	Free	21 p.c.	35 p.c.			
	on and after January 1, 1970	Free	19 p.c.	35 p.c.			
	on and after January 1, 1971	Free	17 p.c.	35 p.c.			
	on and after January 1, 1972	Free	15 p.c.	35 p.c.			
	Brake linings and clutch facings, whether or not including metallic wires or threads, for automobiles, motor vehicles, electric trackless trolley buses, fire fighting vehicles, ambulances and hearses, or chassis enumerated in tariff items 42400–1 and 43803–1:						

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
43832-1	When made wholly or in part from crude asbestos of British Commonwealth origin	Free	24 p.c.	35 p.c.	Free	25 p.c.	35 p.c.
	on and after January 1, 1969	Free	23 p.c.	35 p.c.			
	on and after January 1, 1970	Free	22 p.c.	35 p.c.			
	on and after January 1, 1971	Free	21 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
43833-1	When made wholly or in part from crude asbestos, n.o.p.	15 p.c.	24 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
43845-1	Piston castings of any material, in the rough or semi-finished	Free	24 p.c.	35 p.c.	Free	25 p.c.	35 p.c.
	on and after January 1, 1969	Free	23 p.c.	35 p.c.			
	on and after January 1, 1970	Free	22 p.c.	35 p.c.			
	on and after January 1, 1971	Free	21 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
43910-1	Cars, trailers including house trailers and mobile homes, n.o.p., wheelbarrows, trucks, road or railway scrapers and hand carts	10 p.c.	21½ p.c.	30 p.c.	10 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
43915-1	Farm wagons, including four-wheeled farm wagons equipped to be tractor-drawn; farm sleds; logging wagons; logging sleds; and complete parts of all the foregoing	Free	12½ p.c.	25 p.c.	Free	15 p.c.	25 p.c.
43920-1	Freight wagons, drays, sleighs, n.o.p., and complete parts thereof	Free	23 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
	on and after January 1, 1969	Free	21 p.c.	25 p.c.			
	on and after January 1, 1970	Free	19 p.c.	25 p.c.			
	on and after January 1, 1971	Free	17 p.c.	25 p.c.			
	on and after January 1, 1972	Free	15 p.c.	25 p.c.			

43930–1	Children's carriages, sleds and other vehicles; complete parts of all the foregoing	15 p.c.	21½ p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
	Vessels, dredges, scows, yachts, boats and other water borne craft, built outside of Canada, of any material, destined for use or service in Canadian waters (not including registered vessels, entitled to engage in the coasting trade, nor vessels in transit between Canada and any place outside thereof) n.o.p.; on the fair market value of the hull, rigging, machinery, boilers, furniture, and appurtenances thereof, on arrival in Canada:						
44002–1	Other than the following	15 p.c.	25 p.c.	25 p.c.	15 p.c.	25 p.c.	25 p.c.
44003–1	Boats, open, including sail boats, skiffs and canoes, but not including those with inboard motors or for use with inboard motors	15 p.c.	19½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			
44004–1	Boats, open, including sail boats, with inboard motors or for use with inboard motors; yachts and pleasure boats, not exceeding 30 feet in length overall	15 p.c.	23½ p.c.	25 p.c.	15 p.c.	25 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	22 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			
	Regulations may be prescribed by the Minister for exemption from further duty after the duty specified in items 44002–1, 44003–1 and 44004–1 is once paid.						
44009–1	Racing shells or oars therefor, when imported by amateur rowing clubs for use exclusively by such clubs	Free	Free	25 p.c.	Free	20 p.c.	25 p.c.
44034–1	Trawls, trawling spoons, fly hooks, hooks, sinkers, swivels, bait, sportsmen's fishing reels, fishing rods, and fishing tackle, n.o.p.	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
44034–1 (*Cont'd*)	on and after January 1, 1969	Free	19 p.c.	30 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
	Aircraft, not including engines, under such regulations as the Minister may prescribe:						
44043–1	When of types or sizes not made in Canada.....	Free	Free	27½ p.c.	Free	Free	27½ p.c.
	on and after July 1, 1969	Free	7½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
44044–1	When of types and sizes made in Canada.....	Free	13½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
	on and after January 1, 1969	Free	12 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	10½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	9 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	7½ p.c.	27½ p.c.			
	Aircraft engines, when imported for use in the equipment of aircraft:						
44047–1	When of types or sizes not made in Canada.....	Free	Free	27½ p.c.	Free	Free	27½ p.c.
	on and after July 1, 1969	Free	7½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
44048–1	When of types and sizes made in Canada.....	Free	13½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
	on and after January 1, 1969	Free	12 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	10½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	9 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	7½ p.c.	27½ p.c.			
	Parts of aircraft, n.o.p.:						
44052–1	When of types and sizes made in Canada..... . .	Free	13½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
	on and after January 1, 1969	Free	12 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	10½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	9 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	7½ p.c.	27½ p.c.			

44100–1	Guns, rifles, including air guns and air rifles not being toys; muskets, cannons, pistols, revolvers, or other firearms, n.o.p.; cartridge cases, cartridges, primers, percussion caps, wads or other ammunition, n.o.p.; bayonets, swords, fencing foils and masks; gun or pistol covers or cases, game bags, loading tools and cartridge belts of any material	10 p.c.	22 p.c.	30 p.c.	10 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	30 p.c.			
44300–1	Apparatus, and parts thereof, for cooking or for heating buildings	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
44330–1	Timing devices for apparatus for cooking or for heating buildings; parts thereof	15 p.c.	21½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
44335–1	Timers for radios and parts thereof	15 p.c.	21½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
44400–1	Gas meters, and complete parts thereof	12½ p.c.	21½ p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	12½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1970	12½ p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	12½ p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	35 p.c.			
44405–1	Gas, coal oil or other lighting fixtures and appliances, n.o.p., including tips, burners, collars and galleries; gas mantles and incandescent gas burners; complete parts of all the foregoing	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
44410-1	Lamp shades, n.o.p., and shade holders	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
44500-1	Electric light fixtures and appliances, n.o.p., and complete parts thereof	19½ p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
44502-1	Electric head, side and tail lights, n.o.p.; electric torches or flashlights and complete parts therefor	19½ p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
44504-1	Electric arc lamps and incandescent electric light lamps, n.o.p.	19 p.c.	24 p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	18 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	17 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	17 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
44506-1	Electric telegraph apparatus and complete parts thereof	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	19 p.c.	30 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
44508-1	Electric telephone apparatus and complete parts thereof	10 p.c.	21½ p.c.	30 p.c.	10 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			

44512–1	Electric and galvanic batteries, n.o.p., and complete parts thereof, including separator walls of wood, cut to size or not	15 p.c.	21½ p.c.	27½ p.c.	15 p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	27½ p.c.			
44514–1	Electric dynamos or generators and transformers, and complete parts thereof, n.o.p.	15 p.c.	19 p.c.	37½ p.c.	15 p.c.	22½ p.c.	37½ p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	37½ p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	37½ p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	37½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	37½ p.c.			
44516–1	Electric motors, and complete parts thereof, n.o.p.	15 p.c.	19 p.c.	37½ p.c.	15 p.c.	22½ p.c.	37½ p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	37½ p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	37½ p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	37½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	37½ p.c.			
44518–1	Electric insulators of all kinds, n.o.p., and complete parts thereof	15 p.c.	19 p.c.	27½ p.c.	15 p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	27½ p.c.			
44520–1	Electric sad irons and complete parts thereof	12½ p.c.	22 p.c.	27½ p.c.	12½ p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	27½ p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	27½ p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	27½ p.c.			
44524–1	Electric apparatus and complete parts thereof, n.o.p.	15 p.c.	20 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
44526–1	Electric storage batteries, composed of plates measuring not less than eleven inches by fourteen inches and not less than three-quarters inch in thickness; complete parts thereof	Free	19½ p.c.	27½ p.c.	Free	20 p.c.	27½ p.c.
	on and after January 1, 1969	Free	19 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	18½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	18 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	17½ p.c.	27½ p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
44533-1	Radio and television apparatus and parts thereof, n.o.p.	Free	19 p.c.	29 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	18 p.c.	28 p.c.			
	on and after January 1, 1970	Free	17 p.c.	27 p.c.			
	on and after January 1, 1971	Free	16 p.c.	26 p.c.			
	on and after January 1, 1972	Free	15 p.c.	25 p.c.			
44534-1	Radio or television receiving sets incorporating a record playing device	14 p.c.	19 p.c.	29 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	13 p.c.	18 p.c.	28 p.c.			
	on and after January 1, 1970	12 p.c.	17 p.c.	27 p.c.			
	on and after January 1, 1971	11 p.c.	16 p.c.	26 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	25 p.c.			
44535-1	Phonographs and parts thereof, n.o.p.	14 p.c.	19 p.c.	29 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	13 p.c.	18 p.c.	28 p.c.			
	on and after January 1, 1970	12 p.c.	17 p.c.	27 p.c.			
	on and after January 1, 1971	11 p.c.	16 p.c.	26 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	25 p.c.			
44548-1	Transformers and inductors for use in the manufacture or repair of the goods enumerated in tariff items 44533-1, 44534-1, 44535-1, 44536-1, 44538-1 and 44540-1	14 p.c.	19 p.c.	29 p.c.	15 p.c.	22½ p.c.	37½ p.c.
	on and after January 1, 1969	13 p.c.	18 p.c.	28 p.c.	Various	Various	Various
	on and after January 1, 1970	12 p.c.	17 p.c.	27 p.c.			
	on and after January 1, 1971	11 p.c.	16 p.c.	26 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	25 p.c.			
44600-1	Electric steam turbo generator sets, 700 h.p. and greater, of a class or kind not made in Canada, and complete parts thereof	Free	17½ p.c.	25 p.c.	Free	20 p.c.	25 p.c.
44603-1	Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, n.o.p.	10 p.c.	20 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	35 p.c.			

44606-1	Steel bicycle rims, not enamelled nor plated.....	Free	17½ p.c.	35 p.c.	Free	27½ p.c.	35 p.c.
44612-1	Bottles or cylinders of steel for use as high-pressure containers for gas.....	Free	19½ p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	on and after January 1, 1969	Free	19 p.c.	25 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	25 p.c.			
	on and after January 1, 1971	Free	18 p.c.	25 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	25 p.c.			
44621-1	Electric apparatus designed for welding, n.o.p., and parts thereof, not including motors.....	5 p.c.	19 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	5 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	5 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	5 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	5 p.c.	15 p.c.	30 p.c.			
44622-1	High frequency and ultra high frequency electric resistance welding apparatus.....	5 p.c.	10 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
44627-1	Gas apparatus designed for welding or cutting and parts thereof, n.o.p.....	5 p.c.	19 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	5 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	5 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	5 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	5 p.c.	15 p.c.	30 p.c.			
44641-1	Welding rods or welding wires, including consumable welding electrodes, of iron or steel, flux-coated, other than as provided for in tariff item 44640-1.....	10 p.c.	20 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	35 p.c.			
44700-1	Water pumps, hand or power, for domestic purposes only.....	Free	21½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	on and after January 1, 1969	Free	20½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	19½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
45005-1	Ice skates, not including skates with boots attached, and metal parts thereof.....	14½ p.c.	20½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1970	13½ p.c.	16½ p.c.	30 p.c.			
	on and after January 1, 1971	13 p.c.	14½ p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
45100-1	Buckles, clasps, eyelets, hooks and eyes, dome, snap or other fasteners of iron, steel, brass or other metal, coated or not, n.o.p. (not being jewellery); parts of all the foregoing	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
45105-1	Spring-beard needles and latch needles	10 p.c.	24 p.c.	35 p.c.	10 p.c.	25 p.c.	35 p.c.
	and, per thousand		$1.20	$1.50		$1.50	$1.50
	on and after January 1, 1969	10 p.c.	23 p.c.	35 p.c.			
	and, per thousand		90 cts.	$1.50			
	on and after January 1, 1970	10 p.c.	22 p.c.	35 p.c.			
	and, per thousand		60 cts.	$1.50			
	on and after January 1, 1971	10 p.c.	21 p.c.	35 p.c.			
	and, per thousand		30 cts.	$1.50			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
45110-1	Needles, of any material or kind, n.o.p.	10 p.c.	24 p.c.	35 p.c.	10 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
	Pins manufactured from wire of any metal:						
45116-1	N.o.p.	15 p.c.	24 p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.
	and, per pound		8 cts.	10 cts.		10 cts.	10 cts.
	on and after January 1, 1969	15 p.c.	23 p.c.	30 p.c.			
	and, per pound		6 cts.	10 cts.			
	on and after January 1, 1970	15 p.c.	22 p.c.	30 p.c.			
	and, per pound		4 cts.	10 cts.			
	on and after January 1, 1971	15 p.c.	21 p.c.	30 p.c.			
	and, per pound		2 cts.	10 cts.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
45120-1	Corset clasps, busks, blanks, steels, and covered corset wires, cut to length, tipped or untipped; reed, rattan or horn, covered	15 p.c.	26 p.c.	30 p.c.	15 p.c.	27½ p.c.	30 p.c.

	on and after January 1, 1969	15 p.c.	24½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
45130–1	Slide, hookless, or zipper fasteners	25 p.c.	26½ p.c.	40 p.c.	25 p.c.	27½ p.c.	40 p.c.
	on and after January 1, 1969	25 p.c.	25½ p.c.	40 p.c.			
	on and after January 1, 1970	24 p.c.	24½ p.c.	40 p.c.			
	on and after January 1, 1971	23 p.c.	23½ p.c.	40 p.c.			
	on and after January 1, 1972	22½ p.c.	22½ p.c.	40 p.c.			
45300–1	Metal parts when imported by manufacturers of covered buttons for use exclusively in the manufacture of covered buttons, in their own factories, under regulations prescribed by the Minister	Free	20 p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
46105–1	Safes including doors; doors and door frames for vaults; scales, balances and weighing beams of all kinds, n.o.p.	10 p.c.	19½ p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	35 p.c.			
46205–1	Cameras, n.o.p., of a class or kind made in Canada; complete parts thereof	7½ p.c.	19 p.c.	30 p.c.	7½ p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	7½ p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	7½ p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	7½ p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	7½ p.c.	15 p.c.	30 p.c.			
46230–1	Parts, unfinished, for use in the manufacture of cameras	Free	Free	7½ p.c.	Free	5 p.c.	7½ p.c.
46505–1	Radioisotope activated light sources and signs or indicating markers of material other than paper with radioisotope activated light source	7½ p.c.	7½ p.c.	30 p.c.	7½ p.c.	17½ p.c.	30 p.c.
46510–1	Radioisotope activated self-luminous standards for calibration purposes	7½ p.c.	7½ p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
46700–1	Window shade or blind rollers	12½ p.c.	22 p.c.	30 p.c.	12½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
46800-1	Animal cages of wire and metal parts thereof.....	10 p.c.	17½ p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
47000-1	Patterns of iron, steel, brass or other metal, not being models.....	17½ p.c.	17½ p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
47100-1	Belt pulleys of all kinds, n.o.p., for power transmission	15 p.c.	19 p.c.	27½ p.c.	15 p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	27½ p.c.			
47105-1	Pressed steel belt pulleys for power transmission, and finished or unfinished parts thereof, including interchangeable bushings.....	Free	19 p.c.	27½ p.c.	Free	20 p.c.	27½ p.c.
	on and after January 1, 1969	Free	18 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	17 p.c.	27½ p.c.			
	on and after January 1, 1971	Free	16 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	15 p.c.	27½ p.c.			
48900-1	Crucibles of platinum, rhodium and iridium, and covers therefor.....	Free	Free	15 p.c.	Free	Free	Free
					Free	15 p.c.	15 p.c.
49400-1	Manufactures of corkwood or cork bark, n.o.p., including strips, shives, shells and washers of cork..	Free	8 p.c.	20 p.c.	Free	10 p.c.	20 p.c.
	on and after January 1, 1969	Free	6 p.c.	20 p.c.			
	on and after January 1, 1970	Free	4 p.c.	20 p.c.			
	on and after January 1, 1971	Free	2 p.c.	20 p.c.			
	on and after January 1, 1972	Free	Free	20 p.c.			
49500-1	Corks, manufactured from corkwood.....per pound	Free	Free	5 cts.	2 cts.	2 cts.	5 cts.
					2 cts.	2 cts.	8 cts.
50000-1	Logs, poles, sticks, roots, posts, piles and railway ties of wood.....	Free	Free	Free	Free	Free	Free
					17½ p.c.	20 p.c.	25 p.c.
50005-1	Firewood, wood waste, fuel made from wood waste with or without a binder, saw dust of wood and wood chips.....	Free	Free	Free	Free	Free	Free
					15 p.c.	20 p.c.	25 p.c.

50010-1	Blocks and bolts of wood, not further manufactured than rough shaped by boring, hewing or sawing....	Free	Free	Free	Free Various	Free Various	Free Various
50015-1	Shingles, lath and treenails of wood.....	Free	Free	Free	Free Free	Free Free	Free 25 p.c.
50020-1	Fence pickets, palings and rails of wood, whether or not assembled into fence sections.....	Free	Free	Free	Free 17½ p.c.	Free 20 p.c.	Free 25 p.c.
50025-1	Staves, hoops and heading of wood for use in the manufacture of barrels or kegs.....	Free	Free	Free	Free Various	Free Various	Free Various
50030-1	Dowel rods and pins of wood, not sanded, grooved or otherwise further manufactured.....	Free	Free	Free	17½ p.c.	20 p.c.	25 p.c.
50035-1	Wooden handles or stems for handles for axes, spades, hand shovels, hand hoes, hand rakes, and hand forks, not further manufactured than turned; scale board for cheese; Mexican saddle trees and stirrups of wood; felloes of hickory or oak; wooden spokes and wooden last blocks, not further manufactured than turned.....	Free	Free	Free	Free 10 p.c.	Free 10 p.c.	Free 15 p.c.
50040-1	Timber or lumber of wood of any species, not further manufactured than sawn.....	Free	Free	Free	Free	Free	Free
50045-1	Timber or lumber of wood of any species, further manufactured than sawn but not further manufactured than the product of a planing machine with various profile attachments or not further manufactured than matched or patterned on a matching machine, sticker or moulder.....	Free	Free	Free	Free 10 p.c. Various	Free 10 p.c. Various	Free 25 p.c. Various
50050-1	Timber or lumber of softwood (the wood of any coniferous species of tree), drilled but not otherwise further manufactured than the product of a planing machine with various profile attachments or not further manufactured than matched or patterned on a matching machine, sticker or moulder.....	Free	Free	Free	17½ p.c.	20 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
50055-1	Edge-glued or end-glued rectangular wood not over six feet in length or over fifteen inches in width, not drilled and not further manufactured than the product of a planing machine with various profile attachments or not further manufactured than matched or patterned on a matching machine, sticker or moulder	Free	Free	Free	Free 5 p.c. 10 p.c.	Free 5 p.c. 10 p.c.	25 p.c. 25 p.c. 25 p.c.
50060-1	Timber or lumber of hardwood (the wood of any deciduous species of tree), drilled but not otherwise further manufactured than the product of a planing machine with various profile attachments or not further manufactured than matched or patterned on a matching machine, sticker or moulder	5 p.c.	5 p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
50065-1	Floor tiles made of individual strips of wood joined together	11½ p.c.	11½ p.c.	25 p.c.	12½ p.c.	12½ p.c.	25 p.c.
	on and after January 1, 1969	10½ p.c.	10½ p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
	on and after January 1, 1970	9½ p.c.	9½ p.c.	25 p.c.			
	on and after January 1, 1971	8½ p.c.	8½ p.c.	25 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			
50066-1	Flooring of oak, tongued, grooved or jointed, whether drilled or not	11½ p.c.	11½ p.c.	25 p.c.	12½ p.c.	12½ p.c.	25 p.c.
	on and after January 1, 1969	10½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1970	9½ p.c.	9½ p.c.	25 p.c.			
	on and after January 1, 1971	8½ p.c.	8½ p.c.	25 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			
50068-1	Flooring of wood, n.o.p., tongued, grooved or jointed, whether drilled or not	Free	Free	25 p.c.	12½ p.c. 17½ p.c.	12½ p.c. 20 p.c.	25 p.c. 25 p.c.
50070-1	Timber or lumber of wood of any species, whether or not drilled, but otherwise not further manufactured than surface-sanded or otherwise surface processed, or dimensionally stabilized, n.o.p.	5 p.c.	5 p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.

50075–1	Timber, lumber and mouldings of wood, n.o.p.....	10 p.c.	10 p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
	1. The term "lumber" in items 50000–1 to 50075–1, inclusive, includes: siding and mouldings of wood having the same profile and cross-section throughout their length, edge-glued or end-glued wood over 6 feet in length and not over 15 inches in width if such wood as a solid piece without joints would be deemed to be lumber.						
	2. The provisions of tariff items 50000–1 to 50060–1, inclusive, apply to the products specified therein whether or not they have been treated with creosote or other wood preservative, but not if they have been dimensionally stabilized, or treated with fire retardent materials, fillers, sealers, waxes, oils, stains, varnishes, paints or enamels.						
	3. The provisions of tariff items 50065–1, 50066–1, 50068–1, 50070–1 and 50075–1 apply to the products specified therein whether or not dimensionally stabilized, treated with creosote, other preservative, fire retardent materials, fillers, sealers, waxes, oils, stains, varnishes, paints or enamels.						
50600–1	Manufactures of wood, n.o.p.....	17 p.c.	19 p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	17 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
50603–1	Hockey sticks.....	15 p.c.	15 p.c.	25 p.c.	17½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	12½ p.c.	25 p.c.			
	on and after January 1, 1970	10 p.c.	10 p.c.	25 p.c.			
	on and after January 1, 1971	7½ p.c.	7½ p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
50610–1	Wooden doors of a height and width not less than 6 feet and 2 feet, respectively.....	Free	21 p.c.	25 p.c.	Free	22½ p.c.	25 p.c.
	on and after January 1, 1969	Free	19½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	18 p.c.	25 p.c.			
	on and after January 1, 1971	Free	16½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	15 p.c.	25 p.c.			
50705–1	Single-ply, sliced or rotary-cut veneers of wood, n.o.p., not over five-sixteenths of an inch in thickness, not taped nor jointed.....	9½ p.c.	11½ p.c.	20 p.c.	10 p.c.	12½ p.c.	20 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
50705-1 (*Cont'd*)	on and after January 1, 1969	9 p.c.	10½ p.c.	20 p.c.			
	on and after January 1, 1970	8½ p.c.	9½ p.c.	20 p.c.			
	on and after January 1, 1971	8 p.c.	8½ p.c.	20 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	20 p.c.			
50710-1	Veneers of wood of any kind, not over five-sixteenths of an inch in thickness, taped or jointed.....	10 p.c.	18 p.c.	25 p.c.	10 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	10 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1970	10 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1971	10 p.c.	12 p.c.	25 p.c.			
	on and after January 1, 1972	10 p.c.	10 p.c.	25 p.c.			
50715-1	Plywood.....	17 p.c.	19 p.c.	35 p.c.	17½ p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c	15 p.c.	35 p.c.			
50720-1	Veeners, namely: Australian blackwood, walnut, silky oak, silkwood, blackbean, maple, Tasmanian myrtle, and eucalyptus, single-ply and not over three thirty-seconds of an inch in thickness.....	9½ p.c.	11½ p.c.	15 p.c.	10 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	9 p.c.	10½ p.c.	15 p.c.			
	on and after January 1 1970	8½ p.c.	9½ p.c.	15 p.c.			
	on and after January 1, 1971	8 p.c.	8½ p.c.	15 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	15 p.c.			
50725-1	Plywood faced with metal on one or both sides.....	5 p.c.	19 p.c.	35 p.c.	5 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	5 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	5 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	5 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	5 p.c.	15 p.c.	35 p.c.			
50900-1	Vulcanized fibre, kartavert, indurated fibre, and like material, and manufactures thereof, n.o.p.....	17 p.c.	17 p.c.	25 p.c.	17½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	16½ p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1970	16 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1971	15½ p.c.	15½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			

51100–1	Walking sticks and walking canes, of all kinds; golf clubs and finished parts thereof; racquets and racquet frames and baseball bats; balls of all kinds for use in sports, games or athletics, n.o.p.	15 p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	23 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1970	15 p.c.	22 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1971	15 p.c.	21 p.c.	35 p.c.	Various	Various	Various
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
51105–1	Cricket bats, balls, gloves and leg guards	Free	28 p.c.	35 p.c.	Free	30 p.c.	35 p.c.
	on and after January 1, 1969	Free	26 p.c.	35 p.c.			
	on and after January 1, 1970	Free	24 p.c.	35 p.c.			
	on and after January 1, 1971	Free	22 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
51120–1	Ski poles	19½ p.c.	19½ p.c.	35 p.c.	20 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
51200–1	Picture frames and photograph frames, of any material	17 p.c.	19 p.c.	30 p.c.	17½ p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	17 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	30 p.c.			
51300–1	Window cornices and cornice poles of all kinds	19 p.c.	23 p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	18 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1970	17 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	30 p.c.			
51400–1	Coffins and caskets, and metal parts thereof	17½ p.c.	22 p.c.	25 p.c.	17½ p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	25 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	25 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	25 p.c.			
51500–1	Show-cases, of all kinds, and metal parts thereof	22½ p.c.	24 p.c.	35 p.c.	22½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	22½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	21½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	20½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	35 p.c.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
51600-1	Blinds of wood, metal or other material, not textile or paper	Free	28 p.c.	35 p.c.	Free	30 p.c.	35 p.c.
	on and after January 1, 1969	Free	26 p.c.	35 p.c.			
	on and after January 1, 1970	Free	24 p.c.	35 p.c.			
	on and after January 1, 1971	Free	22 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
51700-1	Wire screens, wire doors and wire windows	19½ p.c.	23½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
51800-1	Bagatelle and other game tables or boards	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
51805-1	Billiard tables, with or without pockets; cues, balls, cue-racks and cue-tips	17½ p.c.	28 p.c.	35 p.c.	17½ p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	26 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
	House, office, cabinet or store furniture of wood, iron or other material, and parts thereof, not to include forgings, castings, and stampings of metal, in the rough:						
51901-1	Other than the following	15 p.c.	24 p.c.	45 p.c.	15 p.c.	25 p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	23 p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	45 p.c.			

51902–1	In chief part by value of metal.....	15 p.c.	23½ p.c.	45 p.c.	15 p.c.	25 p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	22 p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	19 p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	45 p.c.			
52010–1	Cotton fibres, n.o.p., and carded sliver, wholly of cotton.....	5 p.c.	9 p.c.	12½ p.c.	5 p.c.	10 p.c.	12½ p.c.
	on and after January 1, 1969	5 p.c.	8 p.c.	12½ p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	12½ p.c.			
	on and after January 1, 1971	5 p.c.	6 p.c.	12½ p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	12½ p.c.			
	Yarns and rovings, including threads, cords and twines, wholly of cotton:						
52107–1	Other, n.o.p.....	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
	Woven fabrics, wholly of cotton:						
52201–1	Not bleached, mercerized nor coloured, n.o.p.....	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
52202–1	Bleached or mercerized, not coloured, n.o.p.....	17½ p.c.	22 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
52203–1	Coloured, n.o.p.....	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
52204-1	Composed of yarns of counts of one hundred or more, including all such fabrics in which the average of the count of warp and weft yarns is one hundred or more, not including labels or name-tapes.....	Free	24 p.c.	35 p.c.	Free	25 p.c.	35 p.c.
	on and after January 1, 1969	Free	23 p.c.	35 p.c.			
	on and after January 1, 1970	Free	22 p.c.	35 p.c.			
	on and after January 1, 1971	Free	21 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
52205-1	With cut pile.....	10 p.c.	24 p.c.	35 p.c.	10 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
52208-1	Not coloured, for use in the manufacture of ribbons for typewriters, calculators, or other office appliances.....	Free	12 p.c.	15 p.c.	Free	12½ p.c.	15 p.c.
	on and after January 1, 1969	Free	11½ p.c.	15 p.c.			
	on and after January 1, 1970	Free	11 p.c.	15 p.c.			
	on and after January 1, 1971	Free	10½ p.c.	15 p.c.			
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
52305-1	Clothing, wearing apparel and other articles, made from woven fabrics wholly of cotton; all textile manufactures, wholly or partially manufactured, the component fibre of which is wholly cotton, n.o.p.....	24½ p.c.	24½ p.c.	35 p.c.	25 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	24 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1970	23½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1971	23 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1972	22½ p.c.	22½ p.c.	35 p.c.			
52310-1	Handkerchiefs, wholly of cotton.....	12½ p.c.	26½ p.c.	35 p.c.	12½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	12½ p.c.	25½ p.c.	35 p.c.			
	on and after January 1, 1970	12½ p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1971	12½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	22½ p.c.	35 p.c.			

52500-1	Woven fabrics, wholly of cotton, specially treated and glazed, when imported by rubber manufacturers for use, in their own factories, exclusively as a detachable protective covering for uncured rubber sheeting	Free	26½ p.c.	35 p.c.	Free	27½ p.c.	35 p.c.
	on and after January 1, 1969	Free	25½ p.c.	35 p.c.			
	on and after January 1, 1970	Free	24½ p.c.	35 p.c.			
	on and after January 1, 1971	Free	23½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	22½ p.c.	35 p.c.			
52800-1	White cotton bobbinet, plain, in the web	Free	12 p.c.	25 p.c.	Free	12½ p.c.	25 p.c.
	on and after January 1, 1969	Free	11½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	11 p.c.	25 p.c.			
	on and after January 1, 1971	Free	10½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	10 p.c.	25 p.c.			
53010-1	Slivers, wholly or in part of wool, not containing man-made fibres or glass fibres, per pound	Free	9 cts.	15 cts.	Free	10 cts.	15 cts.
	on and after January 1, 1969, per pound	Free	8 cts.	15 cts.			
	on and after January 1, 1970, per pound	Free	7 cts.	15 cts.			
	on and after January 1, 1971, per pound	Free	6 cts.	15 cts.			
	on and after January 1, 1972, per pound	Free	5 cts.	15 cts.			
53020-1	Hair, curled or dyed, n.o.p.	11½ p.c.	13½ p.c.	20 p.c.	12½ p.c.	15 p.c.	20 p.c.
	on and after January 1, 1969	10½ p.c.	12 p.c.	20 p.c.			
	on and after January 1, 1970	9½ p.c.	10½ p.c.	20 p.c.			
	on and after January 1, 1971	8½ p.c.	9 p.c.	20 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	20 p.c.			
53105-1	Rovings and yarns, fifty per cent or more, by weight, of hair	Free	9½ p.c.	20 p.c.	Free	10 p.c.	20 p.c.
	and, per pound			17½ cts.			17½ cts.
	on and after January 1, 1969	Free	9 p.c.	20 p.c.			
	and, per pound			17½ cts.			
	on and after January 1, 1970	Free	8½ p.c.	20 p.c.			
	and, per pound			17½ cts.			
	on and after January 1, 1971	Free	8 p.c.	20 p.c.			
	and, per pound			17½ cts.			
	on and after January 1, 1972	Free	7½ p.c.	20 p.c.			
	and, per pound			17½ cts.			
53110-1	Rovings and yarns, wholly or in part of wool, or in part of hair, n.o.p.	7½ p.c.	12 p.c.	22½ p.c.	7½ p.c.	12½ p.c.	22½ p.c.
	and, per pound	7 cts.	15.6 cts.	22½ cts.	7 cts.	17 cts.	22½ cts.
	on and after January 1, 1969	7½ p.c.	11½ p.c.	22½ p.c.			
	and, per pound	7 cts.	14.2 cts.	22½ cts.			
	on and after January 1, 1970	7½ p.c.	11 p.c.	22½ p.c.			
	and, per pound	7 cts.	12.8 cts.	22½ cts.			
	on and after January 1, 1971	7½ p.c.	10½ p.c.	22½ p.c.			
	and, per pound	7 cts.	11.4 cts.	22½ cts.			
	on and after January 1, 1972	7½ p.c.	10 p.c.	22½ p.c.			
	and, per pound	7 cts.	10 cts.	22½ cts.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
53115-1	Rovings and yarns, wholly or in part of wool or hair, in measured skeins or balls	7½ p.c.	12 p.c.	22½ p.c.	7½ p.c.	12½ p.c.	22½ p.c.
	and, per pound	10 cts.	19 cts.	22½ cts.	10 cts	20 cts.	22½ cts.
	on and after January 1, 1969	7½ p.c.	11½ p.c.	22½ p.c.			
	and, per pound	10 cts.	18 cts.	22½ cts.			
	on and after January 1, 1970	7½ p.c.	11 p.c.	22½ p.c.			
	and, per pound	10 cts.	17 cts.	22½ cts.			
	on and after January 1, 1971	7½ p.c.	10½ p.c.	22½ p.c.			
	and, per pound	10 cts.	16 cts.	22½ cts.			
	on and after January 1, 1972	7½ p.c.	10 p.c.	22½ p.c.			
	and, per pound	10 cts.	15 cts.	22½ cts.			
53120-1	Yarns and warps, spun on the worsted system, composed wholly of wool or in part of wool or hair, imported by manufacturers for use in their own factories in the manufacture of woven fabrics in chief part by weight of wool or hair and not exceeding six ounces to the square yard, when in the gray or unfinished condition, under such regulations as may be prescribed by the Minister	Free	14 p.c.	20 p.c.	Free	15 p.c.	20 p.c.
	and, per pound		14 cts.	17½ cts.		15 cts.	17½ cts.
	on and after January 1, 1969	Free	13 p.c.	20 p.c.			
	and, per pound		13 cts.	17½ cts.			
	on and after January 1, 1970	Free	12 p.c.	20 p.c.			
	and, per pound		12 cts.	17½ p.c.			
	on and after January 1, 1971	Free	11 p.c.	20 p.c.			
	and, per pound		11 cts.	17½ cts.			
	on and after January 1, 1972	Free	10 p.c.	20 p.c.			
	and, per pound		10 cts.	17½ cts.			

53205-1	Woven fabrics composed wholly or in part of yarns of wool or hair, n.o.p.	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	and, per pound	20 cts.	35.4 cts.	40 cts.	20 cts.	38 cts.	40 cts.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	and, per pound	20 cts.	32.8 cts.	40 cts.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	and, per pound	20 cts.	30.2 cts.	40 cts.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	and, per pound	20 cts.	27.6 cts.	40 cts.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound	20 cts.	25 cts.	40 cts.			
	The total duty leviable shall not be in excess of.... per pound	60 cts.	—	—	60 cts.	—	—
53210-1	Woven fabrics composed wholly or in part of yarns of wool or hair and weighing not less than twelve ounces to the square yard	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	and, per pound	15 cts.	31.4 cts.	40 cts.	15 cts.	33 cts.	40 cts.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	and, per pound	15 cts.	29.8 cts.	40 cts.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	and, per pound	15 cts.	28.2 cts.	40 cts.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	and, per pound	15 cts.	26.6 cts.	40 cts.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound	15 cts.	25 cts.	40 cts.			
	The total duty leviable shall not be in excess of.... per pound	55 cts.	—	—	55 cts.	—	—
53215-1	Woven fabrics composed wholly or in chief part by weight of yarns of wool or hair and weighing not more than nine ounces to the square yard, n.o.p.	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	and, per pound	20 cts.	35.4 cts.	40 cts.	20 cts.	38 cts.	40 cts.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	and, per pound	20 cts.	32.8 cts.	40 cts.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	and, per pound	20 cts.	30.2 cts.	40 cts.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	and, per pound	20 cts.	27.6 cts.	40 cts.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound	20 cts.	25 cts.	40 cts.			
	The total duty leviable shall not be in excess of.. per pound	60 cts.	$1.10	—	60 cts.	$1.10	—

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
53220-1	Woven fabrics, composed wholly or in chief part by weight of yarns of wool or hair, not exceeding in weight four ounces to the square yard, when imported in the gray or unfinished condition, for the purpose of being dyed or finished in Canada.....	Free	20 p.c. 12 cts.	30 p.c. 20 cts.	Free	20 p.c. 15 cts.	30 p.c. 20 cts.
	and, per pound						
	on and after January 1, 1969	Free	20 p.c. 9 cts.	30 p.c. 20 cts.			
	and, per pound						
	on and after January 1, 1970	Free	20 p.c. 6 cts.	30 p.c. 20 cts.			
	and, per pound						
	on and after January 1, 1971	Free	20 p.c. 3 cts.	30 p.c. 20 cts.			
	and, per pound						
	on and after January 1, 1972	Free	20 p.c.	30 p.c. 20 cts.			
	and, per pound						
53225-1	Woven fabrics composed wholly or in part of yarns of wool, imported in the web in lengths of not less than five yards each, for use exclusively in the manufacture of neckties, matching necktie and pocket puff sets, scarves or mufflers, but not including such fabrics for use as interlining.....	Free	14 p.c.	40 p.c. 40 cts.	Free	15 p.c.	40 p.c. 40 cts.
	and, per pound						
	on and after January 1, 1969	Free	13 p.c.	40 p.c. 40 cts.	Various	Various	Various
	and, per pound						
	on and after January 1, 1970	Free	12 p.c.	40 p.c. 40 cts.			
	and, per pound						
	on and after January 1, 1971	Free	11 p.c.	40 p.c. 40 cts.			
	and, per pound						
	on and after January 1, 1972	Free	10 p.c.	40 p.c. 40 cts.			
	and, per pound						
	In the case of such fabrics weighing not more than nine ounces to the square yard, the total duty leviable shall not be in excess of.....per pound	—	$1.10	—	—	$1.10	—
53230-1	Woven billiard cloth composed wholly or in part of wool or hair; melton cloth for use in the manufacture of tennis balls.....	Free	20 p.c.	40 p.c.	Free	20 p.c.	40 p.c.

	and, per pound		20 cts.	35 cts.		25 cts.	35 cts.
	on and after January 1, 1969	Free	20 p.c.	40 p.c.			
	and, per pound		15 cts.	35 cts.			
	on and after January 1, 1970	Free	20 p.c.	40 p.c.			
	and, per pound		10 cts.	35 cts.			
	on and after January 1, 1971	Free	20 p.c.	40 p.c.			
	and, per pound		5 cts.	35 cts.			
	on and after January 1, 1972	Free	20 p.c.	40 p.c.			
	and, per pound			35 cts.			
53235–1	Haircloth, composed of horsehair in combination with any vegetable fibre	17½ p.c.	26 p.c.	30 p.c.	17½ p.c.	27½ p.c.	30 p.c.
	on and after January 1, 1969	17½ p.c.	24½ p.c.	30 p.c.			
	on and after January 1, 1970	17½ p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1971	17½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
53305–1	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool or hair, when the textile component thereof is not more than fifty per cent, by weight, of silk, n.o.p.	24½ p.c.	27 p.c.	55 p.c.	25 p.c.	27½ p.c.	55 p.c.
	on and after January 1, 1969	24 p.c.	26½ p.c.	55 p.c.			
	on and after January 1, 1970	23½ p.c.	26 p.c.	55 p.c.			
	on and after January 1, 1971	23 p.c.	25½ p.c.	55 p.c.			
	on and after January 1, 1972	22½ p.c.	25 p.c.	55 p.c.			
53310–1	Felt, pressed, in the web, wholly or in part of wool, not consisting of or in combination with any woven, knitted or other fabric or material	12½ p.c.	17½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	and, per pound		10 cts.	20 cts.		12½ cts.	20 cts.
	on and after January 1, 1969	12½ p.c.	17½ p.c.	25 p.c.			
	and, per pound		7½ cts.	20 cts.			
	on and after January 1, 1970	12½ p.c.	17½ p.c.	25 p.c.			
	and, per pound		5 cts.	20 cts.			
	on and after January 1, 1971	12½ p.c.	17½ p.c.	25 p.c.			
	and, per pound		2½ cts.	20 cts.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	25 p.c.			
	and, per pound			20 cts.			
53405–1	Household blankets of any material except wholly of cotton	20 p.c.	21 p.c.	40 p.c.	20 p.c.	20 p.c.	40 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
53405–1 (*Cont'd*)	and, per pound	4 cts.	12 cts.	30 cts.	5 cts.	15 cts.	30 cts.
	on and after January 1, 1969	20 p.c.	22 p.c.	40 p.c.			
	and, per pound	3 cts.	9 cts.	30 cts.			
	on and after January 1, 1970	20 p.c.	23 p.c.	40 p.c.			
	and, per pound	2 cts.	6 cts.	30 cts.			
	on and after January 1, 1971	20 p.c.	24 p.c.	40 p.c.			
	and, per pound	1 ct.	3 cts.	30 cts.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound			30 cts.			
53410–1	Automobile rugs, steamer rugs, travel rugs and similar articles of any material except wholly of cotton	20 p.c.	21 p.c.	40 p.c.	20 p.c.	20 p.c.	40 p.c.
	and, per pound	4 cts.	12 cts.	30 cts.	5 cts.	15 cts.	30 cts.
	The total duty leviable shall not be in excess of....		37½ p.c.			37½ p.c.	
	on and after January 1, 1969	20 p.c.	22 p.c.	40 p.c.			
	and, per pound	3 cts.	9 cts.	30 cts.			
	The total duty leviable shall not be in excess of....		37½ p.c.				
	on and after January 1, 1970	20 p.c.	23 p.c.	40 p.c.			
	and, per pound	2 cts.	6 cts.	30 cts.			
	The total duty leviable shall not be in excess of....		37½ p.c.				
	on and after January 1, 1971	20 p.c.	24 p.c.	40 p.c.			
	and, per pound	1 ct.	3 cts.	30 cts.			
	The total duty leviable shall not be in excess of....		37½ p.c.				
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound			30 cts.			
54010–1	Grasses, seaweed, mosses and vegetable fibres other than cotton, n.o.p.; bagasse of sugar cane, whether or not dried, cleaned, cut to size, ground or sifted..	Free	Free	17½ p.c.	Free	10 p.c.	17½ p.c.
	Yarns and rovings, including threads, cords and twines, wholly or in part of vegetable fibres, n.o.p., not containing silk, wool or hair, man-made fibres or filaments nor glass fibres or filaments:						

54105-1	Linen thread for hand or machine sewing.....	Free	16 p.c.	25 p.c.	Free	17½ p.c.	25 p.c.
	on and after January 1, 1969	Free	14½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	13 p.c.	25 p.c.			
	on and after January 1, 1971	Free	11½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	10 p.c.	25 p.c.			
54107-1	Singles, n.o.p.....	12½ p.c.	17 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	15½ p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	15 p.c.	25 p.c.			
54120-1	Cordage, exceeding one inch in circumference, wholly of vegetable fibres, n.o.p....	17½ p.c.	22 p.c.	25 p.c.	17½ p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	25 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	25 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	25 p.c.			
54125-1	Cordage, exceeding one inch in circumference, n.o.p...	19½ p.c.	22 p.c.	25 p.c.	20 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	25 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	25 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	25 p.c.			
54205-1	Woven fabrics, wholly or in part of vegetable fibres, and all such fabrics with cut pile, n.o.p., not containing silk, wool or hair, man-made fibres or filaments nor glass fibres or filaments.....	17½ p.c.	22 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
54210-1	Woven fabrics, wholly of jute.....	Free	Free	15 p.c.	Free	5 cts. per 100 lineal yards	15 p.c.
	Woven fabrics, in the web, wholly of flax or hemp:						
54215-1	Towelling and glass-cloth of crash or huck; tablecloth and napkin fabrics of crash.....	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
54216-1	Other	Free	22 p.c.	35 p.c.	Free	22½ p.c.	35 p.c.
	on and after January 1, 1969	Free	21½ p.c.	35 p.c.			
	on and after January 1, 1970	Free	21 p.c.	35 p.c.			
	on and after January 1, 1971	Free	20½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
54305-1	Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres, n.o.p., when the textile component is not more than fifty per cent, by weight, of silk nor fifty per cent or more, by weight, of man-made fibres or filaments or glass fibres or filaments, not containing wool or hair	24½ p.c.	24½ p.c.	35 p.c.	25 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	24 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1970	23½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1971	23 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1972	22½ p.c.	22½ p.c.	35 p.c.			
54310-1	Towels and glass-cloths of crash or huck, table-cloths and napkins of crash, wholly in or part of flax or hemp, not containing more than fifty per cent, by weight, of silk nor fifty per cent or more, by weight, of man-made fibres or filaments or glass fibres or filaments, nor wool or hair	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
54315-1	Articles made from woven fabrics wholly of jute and all textile manufactures, wholly or partially manufactured, the textile component of which is wholly of jute, n.o.p.; jute fabric backed with paper	12½ p.c.	22 p.c.	30 p.c.	12½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	30 p.c.			

54320–1	Sheets, pillow-cases, bed-spreads, dresser-scarves, doilies, tray-cloths, table-cloths, napkins, towels, glass-cloths and handkerchiefs, wholly of flax or hemp, but not to include towels or glass-cloths of crash or huck, nor table-cloths and napkins of crash	Free	22 p.c.	35 p.c.	Free	22½ p.c.	35 p.c.
	on and after January 1, 1969	Free	21½ p.c.	35 p.c.			
	on and after January 1, 1970	Free	21 p.c.	35 p.c.			
	on and after January 1, 1971	Free	20½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
	Hemming, hemstitching or embroidering with cotton thread of the foregoing articles, or the weaving of cotton thread in the borders of the handkerchiefs, will not remove such goods from this item.						
54325–1	Bags or sacks of jute, hemp, linen or sisal	12½ p.c.	14½ p.c.	20 p.c.	12½ p.c.	15 p.c.	20 p.c.
	on and after January 1, 1969	12½ p.c.	14 p.c.	20 p.c.			
	on and after January 1, 1970	12½ p.c.	13½ p.c.	20 p.c.			
	on and after January 1, 1971	12½ p.c.	13 p.c.	20 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	20 p.c.			
	Yarns and rovings, wholly of silk, degummed or not:						
55106–1	Not further advanced than thrown or spun	Free	7 p.c.	10 p.c.	Free	7½ p.c.	10 p.c.
	on and after January 1, 1969	Free	6½ p.c.	10 p.c.			
	on and after January 1, 1970	Free	6 p.c.	10 p.c.			
	on and after January 1, 1971	Free	5½ p.c.	10 p.c.			
	on and after January 1, 1972	Free	5 p.c.	10 p.c.			
55107-1	N.o.p., including threads, cords or twines	12½ p.c.	19 p.c.	25 p.c.	12½ p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	15 p.c.	25 p.c.			
55110–1	Yarns and rovings of silk and vegetable fibres	12½ p.c.	19 p.c.	25 p.c.	12½ p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	15 p.c.	25 p.c.			
55205–1	Woven fabrics, more than fifty per cent, by weight, of silk, not containing wool or hair	12½ p.c.	22 p.c.	45 p.c.	12½ p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	45 p.c.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
55210-1	Woven fabrics of silk and vegetable fibres, n.o.p.....	12½ p.c.	22 p.c.	45 p.c.	12½ p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	12½ p.c.	21⅓ p.c.	45 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	12½ p.c.	20⅔ p.c.	45 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	45 p.c.			
	The following, when the textile component thereof is more than fifty per cent, by weight, of silk:						
55301-1	Handkerchiefs, made from woven fabric.....	19⅓ p.c.	22 p.c.	45 p.c.	20 p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	19 p.c.	21⅓ p.c.	45 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	18 p.c.	20⅔ p.c.	45 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	45 p.c.			
55302-1	Headsquares, scarves or mufflers, made from woven fabrics.....	19½ p.c.	22 p.c.	45 p.c.	20 p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	19 p.c.	21⅓ p.c.	45 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	18 p.c.	20⅔ p.c.	45 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	45 p.c.			
55303-1	Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured.....	27½ p.c.	29 p.c.	45 p.c.	27½ p.c.	30 p.c.	45 p.c.
	on and after January 1, 1969	27½ p.c.	28 p.c.	45 p.c.			
	on and after January 1, 1970	26½ p.c.	27 p.c.	45 p.c.			
	on and after January 1, 1971	25½ p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1972	25 p.c.	25 p.c.	45 p.c.			
55910-1	Waste portions of unused fabrics, n.o.p., not to include remnants or mill ends.....	7 p.c.	9 p.c.	20 p.c.	7½ p.c.	10 p.c.	20 p.c.
	on and after January 1, 1969	6½ p.c.	8 p.c.	20 p.c.			
	on and after January 1, 1970	6 p.c.	7 p.c.	20 p.c.			
	on and after January 1, 1971	5½ p.c.	6 p.c.	20 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	20 p.c.			

55920-1	Garnetted material, obtained by disintegrating yarns or fabrics, n.o.p.	7 p.c.	9 p.c.	20 p.c.	7½ p.c.	10 p.c.	20 p.c.
	on and after January 1, 1969	6½ p.c.	8 p.c.	20 p.c.			
	on and after January 1, 1970	6 p.c.	7 p.c.	20 p.c.			
	on and after January 1, 1971	5½ p.c.	6 p.c.	20 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	20 p.c.			
55930-1	Washed wiping rags, trimmed or untrimmed; machined wiping wastes or machined journal-box packing wastes	7 p.c.	9 p.c.	20 p.c.	7½ p.c.	10 p.c.	20 p.c.
	on and after January 1, 1969	6½ p.c.	8 p.c.	20 p.c.			
	on and after January 1, 1970	6 p.c.	7 p.c.	20 p.c.			
	on and after January 1, 1971	5½ p.c.	6 p.c.	20 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	20 p.c.			
55935-1	Batts, batting and wadding of wool, cotton or other textile fibre, n.o.p.	10 p.c.	17 p.c.	25 p.c.	10 p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	10 p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1970	10 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1971	10 p.c.	15½ p.c.	25 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	25 p.c.			
56005-1	Man-made fibres or glass fibres, not exceeding twelve inches in length	5 p.c.	12 p.c.	15 p.c.	5 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	5 p.c.	11½ p.c.	15 p.c.			
	on and after January 1, 1970	5 p.c.	11 p.c.	15 p.c.			
	on and after January 1, 1971	5 p.c.	10½ p.c.	15 p.c.			
	on and after January 1, 1972	5 p.c.	10 p.c.	15 p.c.			
56010-1	Sliver, wholly or in part of man-made fibres or of glass fibres	5 p.c.	12 p.c.	15 p.c.	5 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	5 p.c.	11½ p.c.	15 p.c.			
	on and after January 1, 1970	5 p.c.	11 p.c.	15 p.c.			
	on and after January 1, 1971	5 p.c.	10½ p.c.	15 p.c.			
	on and after January 1, 1972	5 p.c.	10 p.c.	15 p.c.			
56015-1	Man-made filaments or glass filaments imported for converting into lengths not exceeding twelve inches, for use in the manufacture of textile yarns or flock.	5 p.c.	12 p.c.	15 p.c.	5 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	5 p.c.	11½ p.c.	15 p.c.			
	on and after January 1, 1970	5 p.c.	11 p.c.	15 p.c.			
	on and after January 1, 1971	5 p.c.	10½ p.c.	15 p.c.			
	on and after January 1, 1972	5 p.c.	10 p.c.	15 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
56025-1	Man-made filaments imported for use in the manufacture of cigarette filter tips	5 p.c.	12 p.c.	15 p.c.	5 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	5 p.c.	11½ p.c.	15 p.c.			
	on and after January 1, 1970	5 p.c.	11 p.c.	15 p.c.			
	on and after January 1, 1971	5 p.c.	10½ p.c.	15 p.c.			
	on and after January 1, 1972	5 p.c.	10 p.c.	15 p.c.			
56105-1	Yarns and rovings, wholly of man-made fibres or filaments or of glass fibres or filaments, not more advanced than singles, not coloured, with not more than seven turns to the inch	20 p.c.	20 p.c.	35 p.c.	20 p.c.	22½ p.c.; minimum	35 p.c.; minimum
	and, per pound		2 cts.	20 cts.		22 cts. per pound	28 cts. per pound
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be		2 p.c.				
	and, per pound		19.6 cts.				
	on and after January 1, 1969	20 p.c.	17½ p.c.	35 p.c.			
	and, per pound		4 cts.	20 cts.			
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be		4 p.c.				
	and, per pound		17.2 cts.				
	on and after January 1, 1970	20 p.c.	15 p.c.	35 p.c.			
	and, per pound		6 cts.	20 cts.			
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be		6 p.c.				
	and, per pound		14.8 cts.				
	on and after January 1, 1971	20 p.c.	12½ p.c.	35 p.c.			
	and, per pound		8 cts.	20 cts.			

	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be.....		8 p.c. 12.4 cts.					
	on and after January 1, 1972 and, per pound	20 p.c.	10 p.c. 10 cts.	35 p.c. 20 cts.				
56110-1	Yarns and rovings, wholly or in part of man-made fibres or filaments or of glass fibres or filaments, including threads, cords or twines, not containing wool or hair..... and, per pound	22½ p.c.	20 p.c. 2 cts.	35 p.c. 20 cts.	22½ p.c.	22½ p.c.; minimum 22 cts. per pound	35 p.c.; minimum 28 cts. per pound	
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be..... and, per pound		2 p.c. 19.6 cts.					
	on and after January 1, 1969 and, per pound	22½ p.c.	17½ p.c. 4 cts.	35 p.c. 20 cts.				
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be..... and, per pound		4 p.c. 17.2 cts.					
	on and after January 1, 1970 and, per pound	22½ p.c.	15 p.c. 6 cts.	35 p.c. 20 cts.				
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be..... and, per pound		6 p.c. 14.8 cts.					
	on and after January 1, 1971 and, per pound	22½ p.c.	12½ p.c. 8 cts.	35 p.c. 20 cts.				
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be..... and, per pound		8 p.c. 12.4 cts.					
	on and after January 1, 1972 and, per pound	22½ p.c.	10 p.c. 10 cts.	35 p.c. 20 cts.				

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
56120–1	Yarns and rovings, including threads, cords or twines, wholly or in part of man-made fibres or filaments, not containing silk, wool or hair, for use in the manufacture of fabrics for conveyor or transmission belts or belting containing rubber	12½ p.c.	22 p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	35 p.c.			
	Woven fabrics, wholly or in part of man-made fibres or filaments or of glass fibres or filaments, not containing wool or hair, not including fabrics more than fifty per cent, by weight, of silk:						
56205–1	Exceeding twelve inches in width	22½ p.c.	29 p.c.	45 p.c.	22½ p.c.	30 p.c.	45 p.c.
	and, per pound		19 cts.	40 cts.		20 cts.	40 cts.
	on and after January 1, 1969	22½ p.c.	28 p.c.	45 p.c.			
	and, per pound		18 cts.	40 cts.			
	on and after January 1, 1970	22½ p.c.	27 p.c.	45 p.c.			
	and, per pound		17 cts.	40 cts.			
	on and after January 1, 1971	22½ p.c.	26 p.c.	45 p.c.			
	and, per pound		16 cts.	40 cts.			
	on and after January 1, 1972	22½ p.c.	25 p.c.	45 p.c.			
	and, per pound		15 cts.	40 cts.			
56206–1	Not exceeding twelve inches in width	24½ p.c.	27 p.c.	55 p.c.	25 p.c.	27½ p.c.	55 p.c.
	on and after January 1, 1969	24 p.c.	26½ p.c.	55 p.c.			
	on and after January 1, 1970	23½ p.c.	26 p.c.	55 p.c.			
	on and after January 1, 1971	23 p.c.	25½ p.c.	55 p.c.			
	on and after January 1, 1972	22½ p.c.	25 p.c.	55 p.c.			
	Woven fabrics containing five per cent or less, by weight, of man-made fibres or filaments or of glass fibres or filaments shall not be dutiable under items 56205–1 and 56206–1 but shall be dutiable as though composed wholly of the remaining constituents.						

56210–1	Woven fabrics with cut pile, wholly or in part of man-made fibres or filaments or of glass fibres or filaments, not containing wool or hair	20 p.c.	29 p.c.	45 p.c.	20 p.c.	30 p.c.	45 p.c.
	on and after January 1, 1969	20 p.c.	28 p.c.	45 p.c.			
	on and after January 1, 1970	20 p.c.	27 p.c.	45 p.c.			
	on and after January 1, 1971	20 p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	45 p.c.			
56225-1	Woven fabrics, wholly or in part of silk or of man-made fibres or filaments, imported in lengths of not less than five yards, by manufacturers of neckties, for use in the manufacture of neckties, or matching necktie and pocket puff sets, but not including such fabrics for use as interlining	14 p.c.	14 p.c.	45 p.c.	15 p.c.	15 p.c.	45 p.c.
	on and after January 1, 1969	13 p.c.	13 p.c.	45 p.c.	Various	Various	Various
	on and after January 1, 1970	12 p.c.	12 p.c.	45 p.c.			
	on and after January 1, 1971	11 p.c.	11 p.c.	45 p.c.			
	on and after January 1, 1972	10 p.c.	10 p.c.	45 p.c.			
56230–1	Woven cord tire fabric, wholly or in chief part, by weight, of man-made fibres or filaments, not to contain silk or wool, for use in the manufacture of pneumatic tires, n.o.p.	7½ p.c.	8½ p.c.	45 p.c.	7½ p.c.	7½ p.c.	45 p.c.
	and, per pound		6 cts.	32 cts.		7½ cts.	40 cts.
	on and after January 1, 1969	7½ p.c.	9½ p.c.	45 p.c.			
	and, per pound		4½ cts.	24 cts.			
	on and after January 1, 1970	7½ p.c.	10½ p.c.	45 p.c.			
	and, per pound		3 cts.	16 cts.			
	on and after January 1, 1971	7½ p.c.	11½ p.c.	45 p.c.			
	and, per pound		1½ cts.	8 cts.			
	on and after January 1, 1972	7½ p.c.	12½ p.c.	45 p.c.			
56235–1	Woven cord tire fabric, wholly or in chief part, by weight, of man-made fibres or filaments, not to contain silk or wool, coated with a rubber composition, when imported by manufacturers of rubber tires, to be incorporated by them in pneumatic tires, in their own factories	Free	14½ p.c.	45 p.c.	Free	15 p.c.	45 p.c.
	on and after January 1, 1969	Free	14 p.c.	45 p.c.			
	on and after January 1, 1970	Free	13½ p.c.	45 p.c.			
	on and after January 1, 1971	Free	13 p.c.	45 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	45 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
56240-1	Woven fabrics, wholly or in part of man-made fibres or filaments, not containing silk, wool or hair, whether or not coated or impregnated, when imported by manufacturers of conveyor or transmission belts or belting containing rubber, for use in the manufacture of such belts or belting	15 p.c.	27 p.c.	45 p.c.	15 p.c.	27½ p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	26½ p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	25½ p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	25 p.c.	45 p.c.			
56300-1	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, the textile component of which is fifty per cent or more, by weight, of man-made fibres or filaments or of glass fibres or filaments, not containing wool or hair	20 p.c.	27 p.c.	50 p.c.	20 p.c.	27½ p.c.	50 p.c.
	on and after January 1, 1969	20 p.c.	26½ p.c.	50 p.c.			
	on and after January 1, 1970	20 p.c.	26 p.c.	50 p.c.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	50 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	50 p.c.			
56500-1	Saris of any material	15 p.c.	15 p.c.	50 p.c.	20 p.c.	22½ p.c.	50 p.c.
56510-1	Braids of all kinds, n.o.p.	20 p.c.	24½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	20 p.c.	24 p.c.	40 p.c.			
	on and after January 1, 1970	20 p.c.	23½ p.c.	40 p.c.			
	on and after January 1, 1971	20 p.c.	23 p.c.	40 p.c.			
	on and after January 1, 1972	20 p.c.	22½ p.c.	40 p.c.			
56515-1	Linen fire-hose, lined or unlined, with or without attached couplings	15 p.c.	29 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	28 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	27 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	26 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	25 p.c.	35 p.c.			

	Seamless woven textile jackets, in tubular form, for use in the manufacture of fire-hose; fire-hose made from such jackets, with or without attached couplings:						
56520-1	The textile component of which is wholly cotton...	20 p.c.	22 p.c.	40 p.c.	20 p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	20 p.c.	21½ p.c.	40 p.c.			
	on and after January 1, 1970	20 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	20 p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	40 p.c.			
56521-1	The textile component of which is other than wholly cotton.....	22½ p.c.	27 p.c.	45 p.c.	22½ p.c.	27½ p.c.	45 p.c.
	on and after January 1, 1969	22½ p.c.	26½ p.c.	45 p.c.			
	on and after January 1, 1970	22½ p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1971	22½ p.c.	25½ p.c.	45 p.c.			
	on and after January 1, 1972	22½ p.c.	25 p.c.	45 p.c.			
	Lace and netting, other than woven, bobbinet, embroideries, n.o.p.						
56611-1	Wholly or in part of other textile fibres or filaments	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
56700-1	Sails for boats and ships; textile fabrics, in the web or with fused edges, for use in the manufacture of such sails.....	15 p.c.	22 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	25 p.c.			
56805-1	Knitted garments, knitted fabrics and knitted goods, n.o.p.....	20 p.c.	33½ p.c.	55 p.c.	20 p.c.	35 p.c.	55 p.c.
	on and after January 1, 1969	20 p.c.	32 p.c.	55 p.c.			
	on and after January 1, 1970	20 p.c.	30½ p.c.	55 p.c.			
	on and after January 1, 1971	20 p.c.	29 p.c.	55 p.c.			
	on and after January 1, 1972	20 p.c.	27½ p.c.	55 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
56810-1	Knitted garments, women's and girls', wholly or in chief part by weight of wool or hair, valued at not less than $9.00 per pound	20 p.c.	31½ p.c.	55 p.c.	20 p.c.	32½ p.c.	55 p.c.
	on and after January 1, 1969	20 p.c.	30½ p.c.	55 p.c.			
	on and after January 1, 1970	20 p.c.	29½ p.c.	55 p.c.			
	on and after January 1, 1971	20 p.c.	28½ p.c.	55 p.c.			
	on and after January 1, 1972	20 p.c.	27½ p.c.	55 p.c.			
	Socks and stockings:						
56820-1	Wholly or in chief part, by weight, of wool	20 p.c.	26 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	and, per dozen pairs	30 cts.	$1.08	$1.50	30 cts	$1.20	$1.50
	on and after January 1, 1969	20 p.c.	24½ p.c.	40 p.c.			
	and, per dozen pairs	30 cts.	96 cts.	$1.50			
	on and after January 1, 1970	20 p.c.	23 p.c.	40 p.c.			
	and, per dozen pairs	30 cts.	84 cts.	$1.50			
	on and after January 1, 1971	20 p.c.	21½ p.c.	40 p.c.			
	and, per dozen pairs	30 cts.	72 cts.	$1.50			
	on and after January 1, 1972	20 p.c.	20 p.c.	40 p.c.			
	and, per dozen pairs	30 cts.	60 cts.	$1.50			
56821-1	N.o.p.	17½ p.c.	17½ p.c.	35 p.c.	17½ p.c.	17½ p.c.	35 p.c.
	and, per dozen pairs		68 cts.	$1.50		75 cts.	$1.50
	on and after January 1, 1969	17½ p.c.	17½ p.c.	35 p.c.			
	and, per dozen pairs		61 cts.	$1.50			
	on and after January 1, 1970	17½ p.c.	17½ p.c.	35 p.c.			
	and, per dozen pairs		54 cts.	$1.50			
	on and after January 1, 1971	17½ p.c.	17½ p.c.	35 p.c.			
	and, per dozen pairs		47 cts.	$1.50			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
	and, per dozen pairs		40 cts.	$1.50			
56905-1	Hats, hoods and shapes of fur felt or of wool-and-fur felt	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			

56910–1	Hoods and shapes, caps, bonnets and berets, n.o.p....	22½ p.c.	29 p.c.	45 p.c.	22½ p.c.	30 p.c.	45 p.c.
	on and after January 1, 1969	22½ p.c.	28 p.c.	45 p.c.			
	on and after January 1, 1970	22½ p.c.	27 p.c.	45 p.c.			
	on and after Januray 1, 1971	22½ p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1972	22½ p.c.	25 p.c.	45 p.c.			
56915–1	Hats, n.o.p.....	20 p.c.	25 p.c.	37 p.c.	20 p.c.	25 p.c.	35 p.c.
	and, per dozen	60 cts.	80 cts.	$1.20	75 cts.	$1.00	$1.50
	on and after January 1, 1969	20 p.c.	25 p.c.	39 p.c.			
	and, per dozen	45 cts.	60 cts.	90 cts.			
	on and after January 1, 1970	20 p.c.	25 p.c.	41 p.c.			
	and, per dozen	30 cts.	40 cts.	60 cts.			
	on and after January 1, 1971	20 p.c.	25 p.c.	43 p.c.			
	and, per dozen	15 cts.	20 cts.	30 cts.			
	on and after January 1, 1972	20 p.c.	25 p.c.	45 p.c.			
57000–1	Mats, door or carriage, other than metal, n.o.p.....	25 p.c.	29 p.c.	35 p.c.	25 p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	25 p.c.	28 p.c.	35 p.c.			
	on and after January 1, 1970	25 p.c.	27 p.c.	35 p.c.			
	on and after January 1, 1971	25 p.c.	26 p.c.	35 p.c.			
	on and after January 1, 1972	25 p.c.	25 p.c.	35 p.c.			
57010–1	Carpeting, rugs, mats and matting of paper; stair pads	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
57015–1	Carpeting, rugs, mats and matting of sisal, palm straw or cane straw.....	10 p.c.	10 p.c.	25 p.c.	15 p.c.	17½ p.c.	25 p.c.
57105–1	Mats with cut pile, of cocoa fibre.....per square foot	Free	Free	5 cts.	2 cts.	2¾ cts.	5 cts.
57110–1	Mats, rugs, carpeting and matting of cocoa fibre, n.o.p.....per square yard	Free	Free	10 cts.	6¼ cts.	7 cts.	10 cts.
57200–1	Oriental and imitation Oriental rugs or carpets and carpeting, carpets and rugs, n.o.p.	24 p.c.	24 p.c.	40 p.c.	25 p.c.	25 p.c.	40 p.c.
	and, per square foot		5 cts.	20 cts.		5 cts.	20 cts.
	on and after January 1, 1969	23 p.c.	23 p.c.	40 p.c.			
	and, per square foot		5 cts.	20 cts.			
	on and after January 1, 1970	22 p.c.	22 p.c.	40 p.c.			
	and, per square foot		5 cts.	20 cts.			
	on and after January 1, 1971	21 p.c.	21 p.c.	40 p.c.			
	and, per square foot		5 cts.	20 cts.			
	on and after January 1, 1972	20 p.c.	20 p.c.	40 p.c.			
	and, per square foot		5 cts.	20 cts.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
57205-1	Carpets of sisal, palm straw or cane straw.....	10 p.c.	10 p.c.	40 p.c.	17½ p.c.	17½ p.c.	40 p.c.
57300-1	Enamelled carriage, shelf and table oilcloth, and cork matting or carpets.	15 p.c.	26 p.c.	35 p.c.	15 p.c.	27½ p.c.	35 p.c. plus 4 cts. per pound
	on and after January 1, 1969	15 p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
57305-1	Linoleum; felt base floor covering not including such materials in which are incorporated synthetic resin sheets or cellulose plastic sheets.	15 p.c.	24 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c. plus 4 cts. per pound
	on and after January 1, 1969	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
	Coated or impregnated fabrics, containing textile fabric, produced by any method, including lamination, if the weight of the textile fabric is less than two-thirds of the weight of the coated or impregnated fabric:						
57401-1	The textile fabric being wholly or in part of man-made fibres or filaments or of glass fibres or filaments.	26⅔ p.c.	31½ p.c.	50 p.c.	27½ p.c.	32½ p.c.	50 p.c.
	on and after January 1, 1969	25½ p.c.	30½ p.c.	50 p.c.			
	on and after January 1, 1970	24½ p.c.	29½ p.c.	50 p.c.			
	on and after January 1, 1971	23½ p.c.	28½ p.c.	50 p.c.			
	on and after January 1, 1972	22½ p.c.	27½ p.c.	50 p.c.			
57402-1	The textile fabric not being wholly or in part of man-made fibres or filaments or of glass fibres or filaments	20 p.c.	24½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.

	on and after January 1, 1969	20 p.c.	24 p.c.	40 p.c.			
	on and after January 1, 1970	20 p.c.	23½ p.c.	40 p.c.			
	on and after January 1, 1971	20 p.c.	23 p.c.	40 p.c.			
	on and after January 1, 1972	20 p.c.	22½ p.c.	40 p.c.			
57410-1	Canvas in the web, wholly of flax or hemp, or both, plain woven, coloured or not, treated with weather-proofing or preservative materials, weighing more than six ounces per square yard, when the weight of the untreated fabric is two-thirds or more of the weight of the treated fabric	17½ p.c.	22 p.c.	40 p.c.	17½ p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	40 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	40 p.c.			
57600-1	Window shades, mounted on rollers	20 p.c.	29 p.c.	40 p.c.	20 p.c.	30 p.c.	40 p.c.
	on and after January 1, 1969	20 p.c.	28 p.c.	40 p.c.			
	on and after January 1, 1970	20 p.c.	27 p.c.	40 p.c.			
	on and after January 1, 1971	20 p.c.	26 p.c.	40 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
57800-1	Regalia, badges and belts of all kinds, n.o.p.	22½ p.c.	26 p.c.	45 p.c.	22½ p.c.	27½ p.c.	45 p.c.
	on and after January 1, 1969	22½ p.c.	24½ p.c.	45 p.c.			
	on and after January 1, 1970	22½ p.c.	23 p.c.	45 p.c.			
	on and after January 1, 1971	21 p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	45 p.c.			
	Buffing and polishing wheels or discs:						
57901-1	The component of chief value being cotton	24 p.c.	24 p.c.	35 p.c.	25 p.c.	25 p.c.	35 p.c. plus 4 cts. per pound
	on and after January 1, 1969	23 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	22 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	21 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	35 p.c.			
58000-1	Hair, spring and other mattresses	19 p.c.	24 p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	18 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	17 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	17 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
58800-1	Coal, n.o.p., including screenings and coal dust of all kinds ..... per ton	28 cts.	40 cts.	75 cts.	35 cts.	50 cts.	75 cts.
	on and after January 1, 1969, per ton	21 cts.	30 cts.	75 cts.			
	on and after January 1, 1970, per ton	14 cts.	20 cts.	75 cts.			
	on and after January 1, 1971, per ton	7 cts.	10 cts.	75 cts.			
	on and after January 1, 1972, per ton	Free	Free	75 cts.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
58805–1	Gas for heating, cooking or illuminating, imported by pipe line, per one thousand cubic feet	—	2.4 cts.	6 cts.	—	3 cts.	6 cts.
	on and after January 1, 1969	—	1.8 cts.	6 cts.			
	on and after January 1, 1970	—	1.2 cts.	6 cts.			
	on and after January 1, 1971	—	0.6 ct.	6 cts.			
	on and after January 1, 1972	—	Free	6 cts.			
59705–1	Pianofortes and organs, n.o.p.	19½ p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
59707–1	Electric organs	19½ p.c.	21½ p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	19 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
59720–1	Parts of pianofortes and parts of organs, n.o.p.	Free	19 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	on and after January 1, 1969	Free	18 p.c.	25 p.c.			
	on and after January 1, 1970	Free	17 p.c.	25 p.c.			
	on and after January 1, 1971	Free	16 p.c.	25 p.c.			
	on and after January 1, 1972	Free	15 p.c.	25 p.c.			
59725–1	Musical instruments of all kinds, n.o.p.	15 p.c.	17 p.c.	30 p.c.	15 p.c.	17½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	16½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	15½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	30 p.c.			
59730–1	Phonograph records	15 p.c.	20 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
59735–1	Mechanical piano and organ players	15 p.c.	19 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	30 p.c.			
59745–1	Accordions	Free	Free	30 p.c.	2½ p.c.	2½ p.c.	30 p.c.
59805–1	Brass band instruments	Free	15 p.c.	25 p.c.	Free	17½ p.c.	25 p.c.
					Free	20 p.c.	25 p.c.

59815-1	Bagpipes and complete parts thereof	Free	15 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
59820-1	Parts for use in the manufacture of brass band instruments	Free	7½ p.c.	25 p.c.	Free	17½ p.c.	25 p.c.
60300-1	Fur skins wholly or partially dressed, n.o.p.	10 p.c.	12 p.c.	15 p.c.	10 p.c.	12½ p.c.	15 p.c. (Minimum 72 cts. dozen on hare or rabbit skins)
	on and after January 1, 1969	10 p.c.	11½ p.c.	15 p.c.			
	on and after January 1, 1970	10 p.c.	11 p.c.	15 p.c.			
	on and after January 1, 1971	10 p.c.	10½ p.c.	15 p.c.			
	on and after January 1, 1972	10 p.c.	10 p.c.	15 p.c.			
60407-1	Patent leather	7½ p.c.	16 p.c.	27½ p.c.	7½ p.c.	17½ p.c.	27½ p.c.
	on and after January 1, 1969	7½ p.c.	14½ p.c.	27½ p.c.			
	on and after January 1, 1970	7½ p.c.	13 p.c.	27½ p.c.			
	on and after January 1, 1971	7½ p.c.	11½ p.c.	27½ p.c.			
	on and after January 1, 1972	7½ p.c.	10 p.c.	27½ p.c.			
60410-1	Sheepskin or lambskin leather, further finished than tanned, n.o.p.	7½ p.c.	21½ p.c.	27½ p.c.	7½ p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	7½ p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1970	7½ p.c.	19½ p.c.	27½ p.c.			
	on and after January 1, 1971	7½ p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1972	7½ p.c.	17½ p.c.	27½ p.c.			
60425-1	Sole leather	12½ p.c.	21½ p.c.	27½ p.c.	12½ p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	12½ p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1970	12½ p.c.	19½ p.c.	27½ p.c.			
	on and after January 1, 1971	12½ p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	27½ p.c.			
60505-1	Leather produced from East India tanned kip, uncoloured or coloured other than black, when imported for use exclusively in lining boots and shoes.	Free	14 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	on and after January 1, 1969	Free	13 p.c.	15 p.c.			
	on and after January 1, 1970	Free	12 p.c.	15 p.c.			
	on and after January 1, 1971	Free	11 p.c.	15 p.c.			
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
60515-1	Genuine pig leathers, n.o.p., and genuine Morocco leathers; so-called roller leathers	Free	19½ p.c.	27½ p.c.	Free	20 p.c.	27½ p.c.
	on and after January 1, 1969	Free	19 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	18½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	18 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	17½ p.c.	27½ p.c.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
60600–1	Leather produced from East India tanned kip, n.o.p.	20 p.c.	20 p.c.	27½ p.c.	20 p.c. and 2 cts. sq. ft.	25 p.c. and 2 cts. sq. ft.	25 p.c. and 4 cts. sq. ft.
60705–1	Leather, consisting of beef-cattle hides, horse-hides or sheepskins, but not including suedes, Cabrettas, Spanish capes or African capes, when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing in their own factories	Free	14 p.c.	20 p.c.	Free	15 p.c.	20 p.c.
	on and after January 1, 1969	Free	13 p.c.	20 p.c.			
	on and after January 1, 1970	Free	12 p.c.	20 p.c.			
	on and after January 1, 1971	Free	11 p.c.	20 p.c.			
	on and after January 1, 1972	Free	10 p.c.	20 p.c.			
60710–1	Leather, not further finished than tanned, in whole hides, in grains, or splits, when imported by manufacturers of upholstering leathers, for use exclusively in the manufacture of upholstering leathers, in their own factories	Free	14 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	on and after January 1, 1969	Free	13 p.c.	15 p.c.			
	on and after January 1, 1970	Free	12 p.c.	15 p.c.			
	on and after January 1, 1971	Free	11 p.c.	15 p.c.			
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
60800–1	Leather not further finished than tanned, and skins, n.o.p.	5 p.c.	14½ p.c.	20 p.c.	5 p.c.	15 p.c.	20 p.c.
	on and after January 1, 1969	5 p.c.	14 p.c.	20 p.c.			
	on and after January 1, 1970	5 p.c.	13½ p.c.	20 p.c.			
	on and after January 1, 1971	5 p.c.	13 p.c.	20 p.c.			
	on and after January 1, 1972	5 p.c.	12½ p.c.	20 p.c.			
61100–1	Boots and shoes, pegged or wire fastened, with unstitched soles close edged	15 p.c.	24½ p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.

	on and after January 1, 1969	15 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	22½ p.c.	35 p.c.			
61105–1	Boots, shoes, slippers and insoles of any material, n.o.p.	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
61110–1	Canvas shoes with rubber soles	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
61120–1	Leather garments, lined or unlined	17½ p.c.	26½ p.c.	35 p.c.	17½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	25½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	22½ p.c.	35 p.c.			
61205–1	English type saddles	10 p.c.	24 p.c.	30 p.c.	10 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	30 p.c.			
61300–1	Manufactures of leather, including manufactures of rawhide, n.o.p.	17 p.c.	21½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
61400–1	Leather-board, leatheroid, and manufactures thereof, n.o.p.	15 p.c.	22 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	25 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
61500-1	Whips of all kinds, including thongs and lashes.....	17½ p.c.	22 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
61605-1	Rubber, crude, caoutchouc or India-rubber, unmanufactured, n.o.p.....	Free	4½ p.c.	5 p.c.	Free	5 p.c.	5 p.c.
	on and after January 1, 1969	Free	4 p.c.	5 p.c.			
	on and after January 1, 1970	Free	3½ p.c.	5 p.c.			
	on and after January 1, 1971	Free	3 p.c.	5 p.c.			
	on and after January 1, 1972	Free	2½ p.c.	5 p.c.			
61630-1	Balata, crude, unmanufactured.....	Free	8½ p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	on and after January 1, 1969	Free	7 p.c.	10 p.c.			
	on and after January 1, 1970	Free	5½ p.c.	10 p.c.			
	on and after January 1, 1971	Free	4 p.c.	10 p.c.			
	on and after January 1, 1972	Free	2½ p.c.	10 p.c.			
61635-1	Gutta percha, unmanufactured.....	Free	8½ p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	on and after January 1, 1969	Free	7 p.c.	10 p.c.			
	on and after January 1, 1970	Free	5½ p.c.	10 p.c.			
	on and after January 1, 1971	Free	4 p.c.	10 p.c.			
	on and after January 1, 1972	Free	2½ p.c.	10 p.c.			
61700-1	Rubber boots and shoes.....	Free	22 p.c.	25 p.c.	Free	22½ p.c.	25 p.c.
	on and after January 1, 1969	Free	21½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	21 p.c.	25 p.c.			
	on and after January 1, 1971	Free	20½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	20 p.c.	25 p.c.			
61800-1	Rubber cement and all manufactures of rubber and gutta percha, n.o.p.....	15 p.c.	19½ p.c.	27½ p.c.	15 p.c.	20 p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	27½ p.c.			

61815–1	Tires and tubes, wholly or in part of rubber.....	19½ p.c.	21½ p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	19½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1970	19 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
61905–1	Rubber clothing and clothing made from waterproofed cotton fabrics.....	22 p.c.	26½ p.c.	35 p.c.	22½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	21½ p.c.	25½ p.c.	35 p.c.			plus 50 cts.
	on and after January 1, 1970	21 p.c.	24½ p.c.	35 p.c.			each on raincoats
	on and after January 1, 1971	20½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1972	20 p.c.	22½ p.c.	35 p.c.			
62200–1	Trunks, valises, hat boxes, carpet bags, tool bags, and baskets of all kinds, n.o.p.....	12½ p.c.	22 p.c.	40 p.c.	12½ p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	40 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	40 p.c.			
62300–1	Musical instrument cases and fancy cases or boxes of all kinds, portfolios and fancy writing desks, satchels, reticules, card cases, purses, pocket-books, fly books; parts of the foregoing.....	12½ p.c.	22 p.c.	40 p.c.	12½ p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	40 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	40 p.c.			
62405–1	Dolls.....	10 p.c.	24 p.c.	40 p.c.	10 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	40 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	40 p.c.			
62410–1	Toys of all kinds, n.o.p.....	10 p.c.	24 p.c.	40 p.c.	10 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	40 p.c.	10 p.c.	30 p.c.	40 p.c.
	on and after January 1, 1970	10 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	40 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
62415-1	Mechanical toys of metal	5 p.c.	24 p.c.	40 p.c.	5 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	5 p.c.	23 p.c.	40 p.c.			
	on and after January 1, 1970	5 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1971	5 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1972	5 p.c.	20 p.c.	40 p.c.			
	Juvenile construction sets of metal or rubber, consisting of various stampings, punched or moulded, and connections therefor; parts of the foregoing:						
62420-1	Of metal	Free	24 p.c.	40 p.c.	Free	25 p.c.	40 p.c.
	on and after January 1, 1969	Free	23 p.c.	40 p.c.			
	on and after January 1, 1970	Free	22 p.c.	40 p.c.			
	on and after January 1, 1971	Free	21 p.c.	40 p.c.			
	on and after January 1, 1972	Free	20 p.c.	40 p.c.			
62500-1	Caps, hats, muffs, tippets, capes, coats and cloaks of fur, and other manufactures of fur, n.o.p.	15 p.c.	24½ p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	22½ p.c.	35 p.c.			
62800-1	Braces or suspenders, and finished parts thereof	15 p.c.	22 p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
62900-1	Umbrellas, parasols and sunshades of all kinds and materials	22½ p.c.	24 p.c.	35 p.c.	22½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	22½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	21½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	20½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	35 p.c.			

63300–1	Feathers, in their natural state	7 p.c.	9 p.c.	15 p.c.	7½ p.c.	10 p.c.	15 p.c.
	on and after January 1, 1969	6½ p.c.	8 p.c.	15 p.c.			
	on and after January 1, 1970	6 p.c.	7 p.c.	15 p.c.			
	on and after January 1, 1971	5½ p.c.	6 p.c.	15 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	15 p.c.			
63400–1	Feathers and manufactures of feathers, n.o.p.; artificial feathers, fruits, grains, leaves and flowers suitable for ornamenting hats	19½ p.c.	22 p.c.	27½ p.c.	20 p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	27½ p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	27½ p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	27½ p.c.			
64700–1	Jewellery of any material, for the adornment of the person, n.o.p.	20 p.c.	29 p.c.	45 p.c.	20 p.c.	30 p.c.	45 p.c.
	on and after January 1, 1969	20 p.c.	28 p.c.	45 p.c.			
	on and after January 1, 1970	20 p.c.	27 p.c.	45 p.c.			
	on and after January 1, 1971	20 p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	45 p.c.			
64800–1	Precious or semi-precious stones and imitations thereof, not mounted or set; pearls, pierced, split, strung or not, but not mounted or set	6 p.c.	6 p.c.	10 p.c.	7½ p.c.	7½ p.c.	10 p.c.
	on and after January 1, 1969	4½ p.c.	4½ p.c.	10 p.c.	7½ p.c.	10 p.c.	10 p.c.
	on and after January 1, 1970	3 p.c.	3 p.c.	10 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1971	1½ p.c.	1½ p.c.	10 p.c.			
	on and after January 1, 1972	Free	Free	10 p.c.			
64803–1	Imitation pearls, pierced, split, strung or not, but not mounted or set	7½ p.c.	10 p.c.	10 p.c.	7½ p.c.	10 p.c.	10 p.c.
65100–1	Buttons of all kinds, covered or not, and button blanks other than in the rough, n.o.p.; recognition buttons and cuff or collar buttons	19 p.c.	24 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.	5 cts.	5 cts.	5 cts.
	on and after January 1, 1969	18 p.c.	23 p.c.	35 p.c.			
	and, per gross	5 cts.	5 cts.	5 cts.			
	on and after January 1, 1970	17 p.c.	22 p.c.	35 p.c.			
	and, per gross	5 cts.	5 cts.	5 cts.			
	on and after January 1, 1971	16 p.c.	21 p.c.	35 p.c.			
	and, per gross	5 cts.	5 cts.	5 cts.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
	and, per gross	5 cts.	5 cts.	5 cts.			

Tariff Item	——	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
65105-1	Buttons, and button blanks other than in the rough, of vegetable ivory	19 p.c.	24 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	and, per gross	5 cts.	9 cts.	10 cts.	5 cts.	10 cts.	10 cts.
	on and after January 1, 1969	18 p.c.	23 p.c.	35 p.c.			
	and, per gross	5 cts.	8 cts.	10 cts.			
	on and after January 1, 1970	17 p.c.	22 p.c.	35 p.c.			
	and, per gross	5 cts.	7 cts.	10 cts.			
	on and after January 1, 1971	16 p.c.	21 p.c.	35 p.c.			
	and, per gross	5 cts.	6 cts.	10 cts.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
	and, per gross	5 cts.	5 cts.	10 cts.			
65200-1	Toilet or dressing combs, n.o.p.; fancy combs, not being jewellery	10 p.c.	20 p.c.	27½ p.c.	10 p.c.	20 p.c.	27½ p.c.
	but not less than, per gross		$1.08	$2.00		$1.44	$2.00
	on and after January 1, 1969	10 p.c.	20 p.c.	27½ p.c.			
	but not less than, per gross		72 cts.	$2.00			
	on and after January 1, 1970	10 p.c.	20 p.c.	30 p.c.			
65300-1	Brushes of all kinds, n.o.p.	15 p.c.	24 p.c.	40 p.c.	15 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	15 p.c.	23 p.c.	40 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	40 p.c.			
65500-1	Pens, n.o.p., penholders and rulers, of all kinds	12½ p.c.	22 p.c.	27½ p.c.	12½ p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	27½ p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	27½ p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	27½ p.c.			
65505-1	Lead pencils and crayons, n.o.p.	10 p.c.	26 p.c.	35 p.c.	10 p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1. 1972	10 p.c.	20 p.c.	35 p.c.			

65610-1	Cigar and cigarette holders	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
65615-1	Cases for cigar and cigarette holders, cigar and cigarette cases, smokers' sets and cases therefor, and tobacco pipe mounts	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
65620-1	Tobacco pouches	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
66325-1	Sea-weeds or sea-plants, charred, whether powdered or not, for use exclusively in the feeding of animals.	Free	Free	25 p.c.	Free	15 p.c.	25 p.c.
66330-1	Iodized mineral salts, for use in the feeding of animals	Free	5 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
66335-1	Fish meal	Free	18 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	on and after January 1, 1969	Free	16 p.c.	25 p.c.			
	on and after January 1, 1970	Free	14 p.c.	25 p.c.			
	on and after January 1, 1971	Free	12 p.c.	25 p.c.			
	on and after January 1, 1972	Free	10 p.c.	25 p.c.			
66340-1	Oyster shells, not further manufactured than crushed or screened, or both, for use as poultry feeds or in the manufacture of poultry feeds	5 p.c.	5 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
66500-1	Torpedoes, fire-crackers and fire-works of all kinds	Free	22 p.c.	25 p.c.	Free	22½ p.c.	25 p.c.
	on and after January 1, 1969	Free	21½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	21 p.c.	25 p.c.			
	on and after January 1, 1971	Free	20½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	20 p.c.	25 p.c.			
66505-1	Fuse, not metallic	Free	24 p.c.	30 p.c.	Free	25 p.c.	30 p.c.
	on and after January 1, 1969	Free	23 p.c.	30 p.c.			
	on and after January 1, 1970	Free	22 p.c.	30 p.c.			
	on and after January 1, 1971	Free	21 p.c.	30 p.c.			
	on and after January 1, 1972	Free	20 p.c.	30 p.c.			

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
67000-1	Grinding wheels, stones or blocks, manufactured by the bonding together of either natural or artificial abrasives; manufactures of emery or of artificial abrasives, n.o.p.	10 p.c.	19½ p.c.	30 p.c.	10 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
68300-1	Barytes	Free	18 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	on and after January 1, 1969	Free	16 p.c.	25 p.c.			
	on and after January 1, 1970	Free	14 p.c.	25 p.c.			
	on and after January 1, 1971	Free	12 p.c.	25 p.c.			
	on and after January 1, 1972	Free	10 p.c.	25 p.c.			
68905-1	Mineral wool	Free	24 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
	on and after January 1, 1969	Free	23 p.c.	25 p.c.			
	on and after January 1, 1970	Free	22 p.c.	25 p.c.			
	on and after January 1, 1971	Free	21 p.c.	25 p.c.			
	on and after January 1, 1972	Free	20 p.c.	25 p.c.			
71100-1	All goods not enumerated in this schedule as subject to any other rate of duty, and not otherwise declared free of duty, and not being goods the importation whereof is by law prohibited	15 p.c.	19½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			
	Duty shall not be deemed to be provided for by this item upon dutiable goods mentioned as "n.o.p." in any other tariff item When the component material of chief value in any non-enumerated article consists of dutiable material enumerated in this schedule as bearing a higher rate						

	of duty than is specified in this tariff item, such non-enumerated article shall be subject to the highest duty that would be chargeable thereon if it were composed wholly of the component material thereof of chief value, such "component material of chief value" being that component material which exceeds in value any other single component material in its condition as found in the article.						
71105-1	Beverages consisting of aqueous extracts of dried prunes	9 p.c.	9 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	on and after January 1, 1969	8 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1970	7 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
71110-1	Prepared foods, whether canned or not, for cats and dogs	13½ p.c.	13½ p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	12 p.c.	12 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1970	10½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1971	9 p.c.	9 p.c.	25 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			
71115-1	Expanded perlite, ground, for use in filtering	10 p.c.	10 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	Common salt (including rock salt, sea salt and table salt); pure sodium chloride; salt liquors; sea water:						
92501-1	Other than the following...per one hundred pounds	Free	2 cts.	5 cts.	Free	3½ cts.	7½ cts.
	on and after January 1, 1969, per one hundred pounds	Free	1½ cts.	5 cts.	Free	3 cts.	5 cts.
	on and after January 1, 1970, per one hundred pounds	Free	1 ct.	5 cts.			
	on and after January 1, 1971, per one hundred pounds	Free	½ ct.	5 cts.			
	on and after January 1, 1972, per one hundred pounds	Free	Free	5 cts.			
92501-2	Salt for the use of the sea or gulf fisheries	Free	Free	Free	Free	Free	Free
92501-3	Table salt made by an admixture of other ingredients, when containing not less than ninety per cent of pure salt	5 p.c.	9 p.c.	15 p.c.	5 p.c.	10 p.c.	15 p.c.
	on and after January 1, 1969	5 p.c.	8 p.c.	15 p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	15 p.c.			
	on and after January 1, 1971	5 p.c.	6 p.c.	15 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	15 p.c.			
92501-4	Salt liquors and sea water	Free	Free	Free	Free	3 cts. cwt.	5 cts. cwt

9. That Schedule A to the *Customs Tariff* and each order in council made under section 10 of the *Customs Tariff* and section 273 of the *Customs Act* reducing the duty on goods be amended by striking out tariff items 4700-1, 4705-1, 10905-1, 11305-1, 11400-1, 26610-1, 34200-1, 39905-1, 40920-1, 41002-1, 41004-1, 41006-1, 41008-1, 41010-1, 41012-1, 41014-1, 41016-1, 41018-,1, 41020-1, 41022-1, 41024-1, 41026-1, 41028-1, 41030-1, 41030-2, 41032-1, 41033-1, 41035-1, 41037-1, 41039-1, 41041-1, 41043-1, 41045-1, 41047-1, 41049-1, 41051-1, 41052-1, 41054-1, 41056-1, 41058-1, 41060-1, 41062-1, 44205-1, 44534-1, 44536-1, 44538-1, 44540-1, 44542-1, 44544-1, 44548-1, 44550-1, 44552-1, 44554-1, 49101-1, 59730-2, 59740-1, 84800-1, 84805-1 and 84810-1, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting in Schedule A to the *Customs Tariff* the following items, enumerations of goods and rates of duty:

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
9012-1	Soya bean flour for use exclusively in the manufacture of glues or adhesives	Free	Free	Free	Free	Free	Free
10905-1	Peanuts, green, in the shell or not further processed than shelled	Free	Free	10 p.c.	Free	Free	1 ct./lb.
11305-1	Copra or broken cocoanut meat, not shredded, desiccated, or prepared in any manner	Free	Free	10 p.c.	Free	Free	3/4 cts./lb.
26610-1	Oiticica oil	Free	Free	15 p.c.	Free	Free	2½ cts./lb.
27620-1	Castor beans	Free	Free	10 p.c.	Free	Free	2 cts./lb.
27625-1	Soya beans	Free	Free	10 p.c.	Free	Free	2 cts./lb.
27630-1	Palm kernels	Free	Free	10 p.c.	Free	Free	4 cts./lb.
34200-1	Phosphor tin, *phosphor copper* and phosphor bronze in blocks, bars, plates, sheets, *strips*, *rods* and wire.	5 p.c.	7½ p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.

39905-1	Pipes or tubes of iron or steel, commonly known as "oil-country goods", being casing or tubing and fittings, couplings, thread protectors and nipples therefor; all of the foregoing for use in connection with natural gas or oil wells	5 p.c.	10 p.c.	20 p.c.	5 p.c.	10 p.c.	20 p.c.
40920-1	Combination bagging or boxing and weighing machines; Box dumpers, box or bag fillers, highpilers not including fork lift trucks; Grading, grating, washing or wiping machines; Machines for making or lidding boxes; All the foregoing for fresh fruit or fresh vegetables; *Machines and equipment, other than scales, for use in grading or packing lines exclusively for fresh fruit or fresh vegetables, from the dumper, feed table, bin or hopper to the box or bag closing machine, inclusive;* *Carbon dioxide generators or reducers for use in controlling the atmosphere in greenhouses or in storage plants for fresh fruit or fresh vegetables;* Machines for topping vegetables; Machines for bunching or tying cut flowers, vegetables or nursery stock; Egg-graders and egg-cleaners; Silage caps; Parts of all the foregoing	Free	Free	Free	Free Free Various	Free 7½ p.c. Various	Free 35 p.c. Various
	Bits and augers of all kinds; *Drills of all kinds, not including those drilling rigs entitled to entry under tariff item 49103-1;* *All the foregoing for use in the exploration or drilling for water, oil, natural gas or minerals, or in mining or quarrying:*						
41001-1	*Of a class or kind made in Canada; parts thereof*	5 p.c.	15 p.c.	25 p.c.	5 p.c. 5 p.c.	10 p.c. 15 p.c.	20 p.c. 25 p.c.
41002-1	*Of a class or kind not made in Canada; parts thereof*	Free	Free	Free	Free Various	Free Various	Free Various
41004-1	*Tungsten carbide inserts for attachment to rock or coal drilling bits*	5 p.c.	7½ p.c.	25 p.c.	5 p.c. Various	7½ p.c. Various	25 p.c. Various

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
41006-1	Diesel-powered self-propelled *dump* trucks, mounted on rubber-tired wheels or on rubber-tired wheels and half-tracks, having a rated capacity by struck volume of not less than 9½ cubic yards, and by payload weight of not less than 15 tons, and parts thereof, for off-highway use in carrying minerals or other excavated materials at mines, quarries, gravel and sand pits or at construction sites.....	5 p.c.	10 p.c.	25 p.c.	Free Free	7½ p.c. 17½ p.c.	27½ p.c. 27½ p.c.
	Machinery and apparatus for use in mining, quarrying, the development of mineral deposits, or the processing of ores, metals or minerals, namely:						
41011-1	*Crushing machines and grinding mills;* *Mine shaft hoists;* *Parts of all the foregoing*.....	5 p.c.	15 p.c.	25 p.c.	5 p.c. Various	15 p.c. Various	25 p.c. Various
41012-1	Mine roof and wall supports and support systems, of metal, including yielding props, chocks, *roof-bars*, and chock release apparatus, but not including roof bolts or washers or nuts therefor; *Mining machines for extracting and loading minerals directly from the working face of a mine;* Trucks, tractors, *or shuttle cars*, self-propelled, for use exclusively underground; Tubes or shells to be inserted in the face for breaking down coal *or other minerals* by the release of carbon dioxide or compressed air; *pipes, tubes and fittings for use therewith;* *Parts of all the foregoing;* *Conveyors, of a class or kind not made in Canada;* *Parts, of a class or kind not made in Canada, for conveyors*.....	Free	Free	Free	Free Free Various	Free 12½ p.c. Various	Free 35 p.c. Various

	Air engines;						
	Coal cutting machines;						
	Dust collectors;						
	Elevating platforms, including raise climbers, for use underground;						
	Flame-proof enclosed driving motors;						
	Loading machines, *including draglines and power shovels;*						
	Machinery and apparatus, including the hulls of dredges, floating or shore discharge pipeline or booster station equipment, *to be incorporated into dredging plants;*						
	Pumps, vacuum pumps, *fans, blowers or compressors;*						
	Scales for use with conveyors:						
41013-1	*Of a class or kind made in Canada; parts thereof*	5 p.c.	15 p.c.	25 p.c.	Free 5 p.c.	Free 15 p.c.	Free 25 p.c.
41014-1	*Of a class or kind not made in Canada; parts thereof*	Free	Free	Free	5 p.c. Various	7½ p.c. Various	20 p.c. Various
	Machinery and apparatus for use in the processing, smelting or refining of ores, metals or minerals, namely:						
41021-1	Machinery and apparatus for sintering or *pelleting* iron ore, concentrated or not, or flue dust;						
	Machinery and apparatus for use in the construction, equipment and repair of blast furnaces for smelting iron ore, such machinery and apparatus to include *blast furnace fans, blowers or compressors,* hot blast stoves and burners, blast piping and valves connecting the *fans, blowers or compressors* with the furnace, scale cars, charging and hoisting apparatus, blast furnace gas piping, cleaners and washers;						
	Machinery and apparatus, of a class or kind not made in Canada, for use exclusively in handling materials to be charged into a blast furnace or an electric smelting furnace, from the dock, car or stock pile, at the smelting works;						

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
41021-1 (Contd)							
	Machinery for the extraction of precious metals by the chlorination or cyanide processes, not including pumps, vacuum pumps, *fans, blowers* or compressors;						
	Mercury pumps;						
	Non-metallic heating elements;						
	Parts of all the foregoing.....	Free	Free	Free	Free Free Various	5 p.c. Free Various	5 p.c. Free Various
	Agitators;						
	Amalgam cleaners;						
	Automatic ore samplers;						
	Fans, blowers *or compressors*, of iron or steel;						
	Classifiers;						
	Converting apparatus for metallurgical processes;						
	Feeders, *mechanical;*						
	Filters;						
	Flotation machines, flotation cells, and oil feeders and reagent feeders therefor;						
	Furnace slag trucks and slag pots;						
	Pyrometers;						
	Retorts;						
	Screens, including oscillating, revolving, shaking, stationary, travelling and vibrating screens, *and grizzlies;*						
	Separators, including jigs and magnetic *or electric* separators and magnetic pulleys;						
	Slime or concentrating tables;						
	Thickeners;						
	Chemical conversion, extraction, reduction or recovery apparatus for use in metallurgical operations;						

	Machinery *and apparatus* for use in the refining of metals *or in roasting or smelting* or the production of anodes, cathodes, blocks, slabs, pigs or ingots in such processes;						
	Machinery and apparatus for use in washing, *screening*, *drying* or dry cleaning coal:						
41022-1	*Of a class or kind made in Canada; parts thereof*	5 p.c.	15 p.c.	25 p.c.	Free Free	10 p.c. Free	12½ p.c. Free
41023-1	*Of a class or kind not made in Canada; parts thereof*	Free	Free	Free	12½ p.c. 5 p.c. Various	17½ p.c. 7½ p.c. Various	20 p.c. 20 p.c. Various
	Machinery and apparatus for use in producing *coal* gas and coke; machinery and apparatus for use in the distillation or recovery of products from coal tar or *coal* gas:						
41026-1	*Of a class or kind made in Canada;* parts thereof	5 p.c.	15 p.c.	25 p.c.			
41027-1	*Of a class or kind not made in Canada;* parts thereof	Free	Free	Free	Free Various	10 p.c. Various	12½ p.c. Various
	Machinery and apparatus for the recovery of solid or liquid particles from flue or other waste gases at metallurgical or industrial plants:						
41031-1	*Of a class or kind made in Canada;* parts thereof	5 p.c.	15 p.c.	25 p.c.			
41032-1	*Of a class or kind not made in Canada;* parts thereof	Free	Free	Free	5 p.c. Various	10 p.c. Various	12½ p.c. Various
41035-1	Equipment for distributing stone dust in mines;						
	Rescue appliances, designed for use in mines, where artificial breathing is necessary in the presence of *noxious* gases, including oxygen pumps for use exclusively in connection with such appliances;						
	Automatic resuscitation apparatus for artificial breathing to aid in the saving of human life;						
	Apparatus for determining the presence or quantity of carbon monoxide in the blood;						
	Inhalators for treating victims of *noxious* gas;						

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates: British Preferential Tariff	Present Rates: Most-Favoured-Nation Tariff	Present Rates: General Tariff
41035-1 (Cont'd)	*Portable* respirators, including hose mask outfits complete with face piece, harness, air line and air pump or blower, designed *for use in noxious atmosphere;*						
	Indicating or continuous recording equipment or automatic alarm equipment for detecting or indicating noxious gases or noxious vapours in the atmosphere;						
	Parts of all the foregoing	Free	Free	Free	Free Free	Free Free	10 p.c. Free
41040-1	Safety goggles designed for eye protection of workers employed in hazardous work; parts thereof	Free	Free	Free	Free	Free	Free
41045-1	Miners' safety lamps; miners' acetylene lamps; accessories for cleaning, filling, charging, opening and testing miners' lamps;						
	Battery renewal preparations for miners' electric safety lamps;						
	All for use exclusively at mines;						
	Parts of the foregoing	Free	Free	Free	Free	Free	Free
44205-1	Materials, including all parts, wholly or in chief part of metal, of a class or kind not made in Canada, when imported for use in the manufacture of goods entitled to entry under tariff items 41100-1, 41105-1, 41110-1, 42723-1, 42726-1, 42729-1, 42732-1, 42733-1, 42741-1, 42805-1, 42815-1, 42817-1, 44037-1, 44040-1, and 44705-1, under such regulations as the Minister may prescribe	Free	Free	10 p.c.	Free	Free	10 p.c.
44536-1	Record changers; *turntables; tone arms; pick-up cartridges;* phonograph needles; *microphones, including microphone stands*	7½ p.c.	7½ p.c.	25 p.c.	7½ p.c. 15 p.c. Various	7½ p.c. 20 p.c. Various	30 p.c. 30 p.c. Various

44537–1	*Parts and materials for use in the manufacture or repair of the goods enumerated in tariff item 44536-1*	Free	Free	25 p.c.	Free Free Various	Free 5 p.c. Various	30 p.c. 30 p.c. Various
44538–1	*Recorders, reproducers and dictation recording and transcribing equipment using magnetizable tape as a recording medium; parts thereof, n.o.p.*	10 p.c.	12½ p.c.	25 p.c.	15 p.c.	22½ p.c.	30 p.c.
44539–1	*Tape transport mechanisms; parts thereof*	Free	Free	25 p.c.	10 p.c.	12½ p.c.	25 p.c.
44540–1	*Loudspeakers; audio-frequency electric amplifiers; parts thereof, n.o.p.*	Free	15 p.c.	25 p.c.	Free 15 p.c.	20 p.c. 22½ p.c.	30 p.c. 30 p.c.
44541–1	*Cone housings, field cases, pole pieces, gaskets and brackets, all for speakers with mounting diameters in excess of 8 inches;* Cones *and cone surrounds;* *Diaphragm and voice coil paper;* Dust covers; *Magnets,* magnet structures *and magnet blanks;* Spiders; *Tinsel wire for voice coil leads;* *Voice coil wire;* *Materials for use in the manufacture of the foregoing;* *All the foregoing for use in the manufacture of loudspeakers*	Free	Free	25 p.c.	15 p.c. Free Free	22½ p.c. 20 p.c. Free	30 p.c. 30 p.c. 30 p.c.
44542–1	*Electron tubes, except X-ray tubes;* *Bases, beaded assemblies, cages, guns, mounts, stems and wire-wound grids, all for use in the manufacture of electron tubes, except X-ray tubes*	Free	15 p.c.	25 p.c.	Free Free Free	Free 7½ p.c. 20 p.c.	27½ p.c. 30 p.c. 30 p.c.
44543–1	*Parts and materials for use in the manufacture of electron tubes, except X-ray tubes, or of parts therefor*	Free	Free	25 p.c.	Free	Free	30 p.c.
44544–1	*Transistors and other semiconductor devices; parts thereof*	Free	15 p.c.	25 p.c.	Free Free Free	Free 7½ p.c. 20 p.c.	27½ p.c. 30 p.c. 30 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
44545–1	*Materials for use in the manufacture of the goods enumerated in tariff item 44544-1*	Free	Free	25 p.c.	Free	Free	30 p.c.
44549–1	*Channel frames;* *Keeper laminations;* *Mounting brackets;* *All the foregoing for use in the manufacture of the goods enumerated in tariff item 44548-1*	Free	Free	25 p.c.	15 p.c. Free 15 p.c.	20 p.c. 20 p.c. 22½ p.c.	30 p.c. 30 p.c. 37½ p.c.
44550–1	Acid- or alkali-free *super- or machine-calendered kraft* tissue, *cellulose acetate, polyester and polystyrene films, not exceeding 0.01 inch in thickness, gummed or not;* *Ceramic dielectrics;* Etched aluminum foil; Metal cans *and lids, drawn or* extruded; Metal powders; Motors and gears for automatic tuning; *Powdered iron and ferrite cores and other shapes*, with or without inserts moulded therein; Raw low loss mica; Sheets and punchings of low loss mica; *Stamped metal pulleys not exceeding 5 inches in outside diameter and 0.5 inch in width;* *Tantalum foil;* Textile fabrics coated with aluminum; Tube shields *of metal or metallized non-metal;* *Materials for use in the manufacture of the foregoing;* *All the foregoing for use in the manufacture of the goods enumerated in tariff items 44533–1, 44534–1, 44535–1, 44538–1, 44539–1, 44540–1, 44541–1, 44548–1, and 44549–1*	Free	Free	25 p.c.	Free Various	Free Various	30 p.c. Various

	Machinery and apparatus for use in exploratory or discovery work in connection with oil or natural gas wells or for the development, maintenance, testing, depletion or production of such wells up to and including the wellhead assembly or surface oil pumping unit; well-drilling machinery and apparatus for use in the exploration, discovery, development or operation of potash or rock salt deposits; these provisions shall not include automotive vehicles or chassis on which the machinery and apparatus are mounted:						
49101-1	Belting and hose, wholly or partly of rubber, and fittings and accessories therefor whether attached or not;						
	Casing centralizers, wall scratchers and scrapers, stop rings and cement baskets;						
	Moulded or extruded rubber products, namely cementing plugs, protectors, wipers, swab rubbers, and rubber rollers for wireline guides and turnback units;						
	Screens for shale shakers;						
	Sucker rods, pony rods, polished rods, and couplings therefor;						
	Swaged nipples and bull plugs not exceeding 4 inches in outside diameter;						
	Wellhead valves, not under 2 inch or over 3 inch nominal size, rated for service in working pressures up to and including 2,000 pounds per square inch W.O.G. (water, oil, gas), excluding check valves, pressure regulators, automatic safety valves and needle valves;						
	Parts of all the foregoing.....	5 p.c.	10 p.c.	20 p.c.	5 p.c.	10 p.c.	20 p.c.

10. That Schedule B to the *Customs Tariff* be amended by striking out items 97056-1, 97058-1, 97059-1 and 97065-1 and the enumerations of goods and the rates of drawback of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of drawback of duty:

Item No.	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
97056-1	Materials, including all parts, wholly or in chief part of metal, of a class or kind not made in Canada.	When used in the manufacture of goods entitled to entry under tariff items 41100-1, 41105-1, 41110-1, 42723-1, 42726-1, 42729-1, 42732-1, 42733-1, 42741-1, 42805-1, 42815-1, 42817-1, 44037-1, 44040-1, and 44705-1.....	99 p.c.
97058-1	Materials.	When used in the manufacture of articles entitled to entry under tariff items 41100-1 and 41105-1, not including saws, when such articles are used as specified in said items.....	60 p.c.
97065-1	Bituminous coal.	When used in melting, evaporating, and preparing salt produced in Canada: No drawback under this item shall be payable on coal used in producing salt or brine when such salt or brine is further manufactured than salt enumerated in tariff items *92501-1, 92501-2, 92501-3 and 92501-4*.....	99 p.c.

11. That the *Customs Tariff* be amended by adding thereto, immediately after section 10 thereof, the following section:

10A. The Governor in Council, on the recommendation of the Minister of Finance, may from time to time reduce or remove any duty applicable under any tariff item in Chapters 915, 928, 929 and 939 of Group XII of Schedule A, *with the exception of tariff items 93901–61, 93901–71, 93901–75, 93902–61, 93902–71, 93902–75, 93903–71, 93903–75 and 93907–1, on any goods classified, for purposes of this Act, under any one of the said items, and the reduction or removal shall apply under such conditions and for such period as may be specified by the Governor in Council.*

12. That the *Customs Tariff* be amended by adding thereto, immediately after section 15 thereof, the following section:

15A. (1) The Governor in Council, on the recommendation of the Minister, may from time to time by regulation prescribe rules for, and explanatory notes to assist in resolving conflicts or doubts respecting, the interpretation of the several descriptions of goods in Group XII of Schedule A, set forth under the group designation "Products of the Chemical, Plastics and Allied Industries".

(2) In the formulation of the rules and explanatory notes to be prescribed by the Governor in Council pursuant to subsection (1), the Governor in Council shall be guided, as nearly as may be, by the Nomenclature for the Classification of Goods in Customs Tariffs published by the Customs Co-operation Council in Brussels (commonly known as the "Brussels Nomenclature"), including the rules for the interpretation of the said Nomenclature, the section and chapter notes and the headings, and the Explanatory Notes to the Brussels Nomenclature published by the said Council, as amended from time to time.

13. That section 19 of the *Customs Tariff* as proposed by Resolution 7 be amended by repealing paragraph (a) of subsection (1) thereof and by substituting therefor the following:

(a) *in the case of goods*

(*i*) *enumerated in tariff items 15605–1, 15610–1, 15615–1, 15625–1, 15627–1, 15630–1, 15635–1, 15640–1, 15645–1, 15646–1 and 15647–1, the goods were "spirits" within the meaning of the Excise Act and were "distilled in Canada" within the meaning of that Act, and*

(*ii*) *enumerated in tariff item 15646–1, subsections (2) to (6) of section 1 of Part I of the Schedule to the Excise Act did not apply to the goods;*

14. That Schedule A to the *Customs Tariff* and each Order in Council made under section 10 of the *Customs Tariff* and section 273 of the *Customs Act* reducing the duty on goods be amended by striking out the designation of goods of Group VI and tariff items 1100–1, 3935–1, 9036–1, 15310–1, 15645–1, 15650–1, 15700–1, 15705–1, 15715–1, 15800–1, 15810–1, 15910–1, 16101–1, 16600–1, 16600–2, 16600–3, 20300–1, 20305–1, 20310–1, 20600–1, 20700–1, 20705–1, 20710–1, 20715–1, 20720–1, 20800–1, 20802–1, 20803–1, 20805–1, 20807–1, 20809–1, 20811–1, 20813–1, 20815–1, 20817–1, 20819–1, 20821–1, 20823–1, 20825–1, 20827–1, 20829–1, 20831–1, 20833–1, 20835–1, 20837–1, 20839–1, 20839–2, 20839–3, 20839–4, 20841–1, 20843–1, 20845–1, 20847–1, 20849–1, 20851–1, 20900–1, 20905–1, 20906–1, 20910–1, 20915–1, 20920–1, 20925–1, 21000–1, 21005–1, 21006–1, 21010–1, 21015–1, 21020–1, 21025–1, 21030–1, 21035–1, 21040–1, 21045–1, 21100–1, 21105–1, 21200–1, 21300–1, 21300–2, 21400–1, 21500–1, 21505–1, 21600–1, 21600–2, 21600–3, 21605–1, 21610–1,

21635–1, 21700–1, 21705–1, 21800–1, 21905–1, 21910–1, 21915–1, 21916–1, 21920–1, 21925–1, 21930–1, 21935–1, 22005–1, 22005–2, 22006–1, 22015–1, 22020–1, 22400–1, 23700–1, 23705–1, 23800–1, 23900–1, 24000–1, 24100–1, 24105–1, 24200–1, 24300–1, 24400–1, 24500–1, 24600–1, 24605–1, 24610–1, 24615–1, 24700–1, 24705–1, 24720–1, 24800–1, 24900–1, 25000–1, 25100–1, 25300–1, 25600–1, 25605–1, 25700–1, 26100–1, 26300–1, 26305–1, 26310–1, 26315–1, 26325–1, 26410–1, 26415–1, 26600–1, 27825–1, 29505–1, 29515–1, 29610–1, 29620–1, 29630–1, 30700–1, 30705–1, 30805–1, 32639–1, 32645–1, 33300–1, 33400–1, 33500–1, 34725–1, 44618–1, 47610–1, 48800–1, 49000–1, 49005–1, 57700–1, 58400–1, 58500–1, 58505–1, 65405–1, 65810–1, 66200–1, 66200–2, 66300–1, 66305–1, 66310–1, 66405–1, 66410–1, 66415–1, 66600–1, 66700–1, 66800–1, 66900–1, 67100–1, 68900–1, 71100–7, 71115–1, 72800–1, 72900–1, 75800–1, 76100–1, 79100–1, 80500–1, 80900–1, 82200–1, 83300–1, 90101–1, 90102–1, 90103–1, 90104–1, 90105–1, 90106–1, 90107–1, 90108–1, 90109–1, 90111–1, 90112–1, 90113–1, 90114–1, 90115–1, 90116–1, 90117–1, 90118–1, 90121–1, 90122–1, 90123–1, 90124–1, 90125–1, 90131–1, 90132–1, 90201–1, 90202–1, 90203–1, 90204–1, 90205–1, 90206–1, 90300–1, 90400–1, 90501–1, 90502–1, 90503–1, 90504–1, 90505–1, 90506–1, 90507–1, 90508–1, 90509–1, 90510–1, 90601–1, 90602–1, 90603–1, 90604–1, 90605–1, 90700–1, 90800–1, 90901–1, 90902–1, 90903–1, 90904–1, 90905–1, 90906–1, 90907–1, 90910–1, 90921–1, 90922–1, 90923–1, 90924–1, 90925–1, 90926–1, 90927–1, 91000–1, 91100–1, 91200–1, 91301–1, 91302–1, 91400–1, 91501–1, 91502–1, 91503–1, 91600–1, 91701–1, 91702–1, 91805–1, 91810–1, 91815–1, 91900–1, 92000–1, 92100–1, 92200–1, 92300–1 and 92500–1, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting in Schedule A to the *Customs Tariff* the following Group Designations, Chapter Designations, headings, items, enumerations of goods and rates of duty:

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
1100-1	Raw Rennet	Free	Free	Free	Free	Free	Free
	Ethyl alcohol undenatured, denatured or specially denatured:						
15645-1	Ethyl alcohol for use as a spirituous or alcoholic beverage or for the manufacture of spirituous or alcoholic beverages per gallon of the strength of proof	$1.00	$1.00	$6.00	$1.00	$1.00	$6.00
15646-1	Ethyl alcohol denatured, or specially denatured, otherwise than in accordance with the specifications prescribed by the Excise Act and the Regulations made thereunder per gallon of the strength of proof	$1.00	$1.00	$6.00	$1.00	$1.00	$6.00
15647-1	Ethyl alcohol denatured, or specially denatured, in accordance with the specifications prescribed by the Excise Act and the Regulations made thereunder and ethyl alcohol, n.o.p.; the foregoing subject to such regulations as the Minister may prescribe per gallon of the strength of proof	10 cts.	20 cts.	40 cts.	$1.00	$1.00	$6.00
	When the goods specified in tariff items 15605-1, 15610-1, 15615-1, 15620-1, 15625-1, 15627-1, 15630-1, 15635-1, 15640-1, 15645-1, 15646-1 and 15647-1 are of greater or less strength than the strength of proof, the measurement thereof and the amount of duty payable shall be increased or decreased in proportion for any greater or less strength than the strength of proof.						
15910-1	Sweet spirits of nitre and aromatic spirits of ammonia per gallon and	$3.00 30 p.c.	$3.00 30 p.c.	$3.00 30 p.c.	$3.00 30 p.c.	$3.00 30 p.c.	$3.00 30 p.c.
	Perfumed spirits, bay rum, cologne and lavender waters, lotions, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind:						
16101-1	When in bottles or flasks containing not more than four ounces each	20 p.c.	20 p.c.	50 p.c.	20 p.c.	29 p.c.	50 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
16810–1	Vinegar	10 p.c.	15 p.c.	25 p.c.	10 cts. per gallon of any strength not exceeding the strength of proof And in addition thereto, for each degree of strength in excess of the strength of proof 1½ cts.	10 cts. 1½ cts.	15 cts. 2 cts.
	GROUP VI						
	DRUGS, WAXES, SOAPS AND OILS						
20300–1	Non-edible seeds, beans, nuts, berries, plants, weeds, barks and woods, in a crude state or chipped or ground, when adapted for tanning or dyeing; turmeric and nutgalls; annatto pulp	Free	Free	Free	Free	Free	Free
20600–1	Dragon's blood; fuller's earth, in bulk only, not prepared for toilet or other purposes; litmus and all lichens, prepared or not prepared; musk, in pods or in grain; quassia juice; saffron, saffron cake, safflower; cochineal; ferment cultures to be used in butter-making	Free	Free	Free	Free	Free	Free
20800–1	Argols; arsenic sulphides, natural; boric acid, crude natural; copper, crude precipitate of; sodium borates, crude natural, and concentrates thereof, calcined or not	Free	Free	Free	Free Free	Free 15 p.c.	Free 25 p.c.
20900–1	Sodium carbonates, natural	10 p.c.	15 p.c.	25 p.c.	15 p.c. Various	19½ p.c. Various	25 p.c. Various
21000–1	Natural sodium sulphate	10 p.c.	15 p.c.	25 p.c.	1/5 ct. per pound	1/5 ct. per pound	3/5 ct. per pound
21100–1	Whiting or whitening; natural calcium sulphate, n.o.p.	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
22005–1	Drugs, n.o.p., of a kind not produced in Canada	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
22400–1	Sealing wax (including bottle sealing wax) in sticks, cakes or similar forms	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.

23405–1	Non-alcoholic toilet preparations for the care of the nails, packaged for sale at retail for such use	10 p.c.	15 p.c.	30 p.c.	15 cts. per gallon and 5 p.c. 15 p.c.	15 cts. per gallon and 15 p.c. 20 p.c.	20 cts. per gallon and 30 p.c. 25 p.c.
26310–1	Diethyl ketone, methyl normal propyl ketone and blends thereof; furfural; all the foregoing for use in the refining of oils	Free	Free	25 p.c.	Free	Free	25 p.c.
26810–1	Crude naphthalene	Free	Free	10 p.c.	Free Free	Free 15 p.c.	10 p.c. 25 p.c.
27005–1	Sulpho-thio-phosphoric (dithiophosphoric) compounds for use in the process of concentrating ores, metals or minerals	Free	Free	10 p.c.	Free	Free	Free
27010–1	Cresylic acid and compounds of cresylic acid, used in the process of concentrating ores, metals or minerals, n.o.p.	Free	15 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
27320–1	Mastics of asphalt and other bituminous mastics	10 p.c.	15 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27825–1	Oils, hydrogenated, blown or dehydrated, not including blown or hydrogenated fish, seal or whale oils	12½ p.c.	17½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
29505–1	Wollastonite; natural zirconium silicate	Free	Free	Free	Free Free	5 p.c. Free	25 p.c. Free
29610–1	Magnesite, dead-burned or sintered, n.o.p.; magnesite, caustic calcined, n.o.p.; plastic magnesia; magnesium oxide, n.o.p.	15 p.c.	15 p.c.	30 p.c.	15 p.c. Various	15 p.c. Various	30 p.c. Various
29630–1	Magnesium oxide, or calcined magnesite, for use exclusively in the manufacture of electrical cables	Free	Free	Free	Free	Free	Free
29680–1	Calcined witherite	Free	15 p.c.	25 p.c.	Free 12½ p.c.	15 p.c. 17½ p.c.	25 p.c. 22½ p.c.
30700–1	Marble, n.o.p.	17½ p.c.	17½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.
30705–1	Manufactures of marble, n.o.p.	17½ p.c.	17½ p.c.	40 p.c.	20 p.c.	22½ p.c.	40 p.c.
30805–1	Manufactures of alabaster, n.o.p.	17½ p.c.	17½ p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
32639–1	Beads, drops or other shapes, of cellulose acetate, glass or synthetic resins, for use exclusively in the manufacture of synthetic pearls	Free	Free	Free	Free Free	Free Free	Free 30 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
32645-1	Moulded illuminating shades, reflectors and refractors of glass, of a class or kind not made in Canada, designed for use with light fixtures or with portable lamps	Free	15 p.c.	32½ p.c.	Free	15 p.c.	32½ p.c.
32910-1	Bauxite, whether or not washed or calcined	Free	Free	Free	Free	Free	Free
33050-1	Lubricant molybdenite powder	Free	15 p.c.	25 p.c.	Free Free	15 p.c. 5 p.c.	25 p.c. 25 p.c.
33300-1	Cinnabar	Free	Free	Free	Free	Free	Free
33400-1	Kryolite or cryolite, n.o.p.	Free	Free	Free	Free	Free	Free
33501-1	Natural oxides, n.o.p., not including ores of metals: Other than the following	Free	10 p.c.	25 p.c.	12½ p.c. Free Free	17½ p.c. 20 p.c. Free	22½ p.c. 22½ p.c. 22½ p.c.
33502-1	Antimony oxides	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. Free	25 p.c. 10 p.c.
33503-1	Copper oxides	Free	15 p.c.	25 p.c.	Free Free	15 p.c. 10 p.c.	15 p.c. 10 p.c.
33504-1	Manganese oxides	Free	Free	Free	Free	Free	Free
33505-1	Molybdenum oxides	10 p.c.	15 p.c.	25 p.c.	Free 12½ p.c.	Free 17½ p.c.	5 p.c. 22½ p.c.
33506-1	Nickelous oxide	10 p.c.	15 p.c.	25 p.c.	12½ p.c. Free	17½ p.c. 20 p.c.	22½ p.c. 22½ p.c.
33507-1	Tin oxides	Free	15 p.c.	25 p.c.	Free	15 p.c.	15 p.c.
33508-1	Zirconium oxide	Free	5 p.c.	15 p.c.	Free	5 p.c.	7½ p.c.
	Metals, n.o.p., not including alloys, in lumps, powders, ingots or blocks:						
35104-1	Electrolytic manganese	Free	Free	20 p.c.	Free Free	5 p.c. 13 p.c.	20 p.c. 25 p.c.

37520-1	Barium-calcium complex, barium-silicon complex, calcium-magnesium complex, calcium-silicon complex; calcium molybdate, tungsten oxide, vanadium oxides, whether in powder, in lumps, or formed into briquettes by the use of a binding material; all the foregoing when for use in the manufacture of iron or steel under such regulations as the Minister may prescribe	Free	Free	5 p.c.	Free Various	Free Various	5 p.c. Various
47610-1	Surgical suction apparatus including motive power; operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, and complete parts thereof, for the use of any public hospital, under such regulations as the Minister may prescribe	Free	Free	Free	Free	Free	Free
58400-1	Bone pitch, crude only	Free	Free	Free	Free	Free	Free
58500-1	Coal and burgundy pitch; coal tar, crude, in packages of not less than fifteen gallons	Free	Free	Free	Free	Free	Free
59000-1	Naphtha, high flash, of coal-tar origin	Free	Free	Free	1/3 ct. per gallon	1/3 ct. per gallon	1 ct. per gallon
	Hexamethylenetetramine or metaldehyde, put up in tablets, sticks or similar forms for use as fuels:						
59105-1	Hexamethylenetetramine	10 p.c.	15 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
59106-1	Metaldehyde	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
	Magnetic recording tape, n.o.p., manufactured from synthetic resins or cellulose plastics:						
65810-1	Unrecorded	5 p.c.	10 p.c.	25 p.c.	15 p.c.	20 p.c.	30 p.c.
65811-1	Recorded	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	30 p.c.
66900-1	Corundum, n.o.p., emery and garnet, in bulk, crushed or ground	Free	Free	Free	Free	Free	Free
67100-1	Artificial abrasive grains, other than chemically defined products, crushed or ground	Free	Free	Free	Free	Free	Free
68117-1	Crude oxide of cobalt	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
68120-1	Uranium depleted in U 235, in the form of pigs, ingots, billets or bars; residues resulting from the processing abroad of uranium metal, salts or oxides	Free	Free	25 p.c.	Free Various	Free Various	25 p.c. Various

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
68125-1	Sal ammoniac skimmings	Free	Free	Free	Free	Free	Free
84900-1	Goods which enter into the cost of manufacture of fertilizers when imported for use exclusively in the manufacture of fertilizers	Free	Free	Free	Free Various	Free Various	Free Various
85000-1	Materials of all kinds for use in producing or manufacturing the products of heading 93811, when imported exclusively for such use, whether or not otherwise enumerated in Schedule A, subject to such regulations as the Minister may prescribe	Free	Free	Free	Free Various	Free Various	Free Various
85100-1	Materials for use in the manufacture of synthetic rubber	Free	Free	Free	Free	Free	Free
85200-1	Askarels (non-flammable liquids) for use in the manufacture of electrical apparatus	Free	5 p.c.	25 p.c.	Free	5 p.c.	25 p.c.
85300-1	Colours or pigments for use in the manufacture of roofing granules	Free	Free	22½ p.c.	Free	Free	22½ p.c.
85400-1	Materials and parts, entering into the cost of calcium cyanide, potassium cyanide or sodium cyanide, for use in the manufacture of calcium cyanide, potassium cyanide or sodium cyanide	Free	Free	Free	Free	Free	Free
85500-1	Coal tar bases or salts, with or without surface-active agents, for use in the manufacture of coal tar dyes and pigment dyestuffs	Free	Free	25 p.c.	Free	Free	Free

GROUP XII

PRODUCTS OF THE CHEMICAL, PLASTICS AND ALLIED INDUSTRIES

CHAPTER 915

Fatty Acids; Acid Oils; Fatty Alcohols; Glycerol

	91510—Industrial mixtures, including reaction blends, of fatty acids not containing 90 per cent or more by weight of any one acid; acid oils from refining, n.o.p.; industrial mixtures, including reaction blends, of fatty alcohols not containing 90 per cent or more by weight of any one alcohol:						
91510-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
91510-2	Acid oils	Free	10 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
91510-3	Tall oil fatty acids	Free	Free	Free	Free	Free	Free
91510-4	Higher fatty alcohols, unsulphated, for use in the manufacture of synthetic detergents	Free	Free	25 p.c.	Free	Free	25 p.c.
	91511—Glycerol and glycerol lyes:						
91511-1	Other than the following	Free	Free	Free	Free 15 p.c.	Free 19½ p.c.	Free 25 p.c.
91511-2	Glycerol, other than crude	10 p.c.	15 p.c.	25 p.c.	Free Free 15 p.c.	15 p.c. Free 19½ p.c.	25 p.c. Free 25 p.c.

CHAPTER 925

Salt; Sulphur; Earth Colours

92503-1	92503—Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur	Free	Free	Free	Free	Free	Free
92509-1	92509—Earth colours, whether or not calcined or mixed together; natural micaceous iron oxides	Free	7½ p.c.	20 p.c.	5 p.c. 12½ p.c.	12½ p.c. 17½ p.c.	15 p.c. 22½ p.c.

CHAPTER 928

Inorganic Chemicals; Organic and Inorganic Compounds of Precious Metals, of Rare Earth Metals, of Radio-Active Elements and of Isotopes

	92801—Halogens (fluorine, chlorine, bromine and iodine):						
92801-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
92801-2	Bromine	Free	Free	Free	Free Free	Free Free	Free 25 p.c.
92801-3	Iodine, crude	Free	Free	Free	Free	Free	Free
92802-1	92802—Sulphur, sublimed or precipitated; colloidal sulphur	Free	Free	Free	Free Free 15 p.c.	Free 15 p.c. 20 p.c.	Free 25 p.c. 25 p.c.
92803-1	92803—Carbon, n.o.p., including carbon black, anthracene black, acetylene black and lamp black	Free	Free	Free	Free	Free	Free
	92804—Hydrogen, rare gases and other non-metals:						
92804-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
92804-2	Helium	5 p.c.	10 p.c.	15 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
92804-3	Phosphorus	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
92804-4	Selenium	5 p.c.	10 p.c.	15 p.c.	15 p.c.	19½ p.c.	25 p.c.
92804-5	Tellurium	5 p.c.	10 p.c.	15 p.c.	15 p.c.	19½ p.c.	25 p.c.
	92805—Alkali, alkaline-earth and rare earth metals; yttrium and scandium; mercury:						
92805-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92805-2	Mercury	Free	Free	Free	Free	Free	Free
92805-3	Sodium	Free	Free	Free	Free Free	15 p.c. Free	25 p.c. 25 p.c.

	92806—Hydrochloric acid, including anhydrous hydrogen chloride, and chlorosulphonic acid:						
92806-1	Hydrochloric acid, including anhydrous hydrogen chloride	Free	15 p.c.	25 p.c.	17½ cts.	22½ cts. per one hundred pounds	25 cts.
					Free	22½ cts. per one hundred pounds	25 cts.
					15 p.c.	19½ p.c.	25 p.c.
92806-2	Chlorosulphonic acid	Free	Free	Free	Free	15 p.c.	25 p.c.
92807-1	92807—Sulphur dioxide	Free	Free	Free	15 p.c.	19½ p.c.	25 p.c.
92808-1	92808—Sulphuric acid; oleum	10 p.c.	15 p.c.	25 p.c.	17½ cts.	22½ cts. per one hundred pounds	25 cts.
					Free	22½ cts. per one hundred pounds	25 cts.
92809-1	92809—Nitric acid; sulphonitric acids	10 p.c.	15 p.c.	25 p.c.	Free	20 p.c.	22½ p.c.
					15 p.c.	20 p.c.	25 p.c.
					15 p.c.	19½ p.c.	25 p.c.
					Free	Free	10 p.c.
92810-1	92810—Phosphorus pentoxide and phosphoric acids (meta-, ortho- and pyro-)	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
					Free	25 p.c.	25 p.c.
92811-1	92811—Arsenic trioxide, arsenic pentoxide and acids of arsenic	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
					Free	Free	Free
	92812—Boric oxide and boric acid:						
92812-1	Boric oxide	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92812-2	Boric acid	Free	Free	Free	Free	Free	Free
					Free	15 p.c.	25 p.c.
	92813—Other inorganic acids and oxygen compounds of non-metals (excluding water):						
92813-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
					15 p.c.	19½ p.c.	25 p.c.
92813-2	Fluorosilicic acid	Free	Free	Free	Free	Free	Free
92813-3	Sulphamic acid	Free	Free	Free	Free	15 p.c.	25 p.c.
92813-4	Sulphur trioxide	Free	Free	Free	Free	15 p.c.	25 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	92814—Halides, oxyhalides and other halogen compounds of non-metals:						
92814-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free Various	15 p.c. Various	25 p.c. Various
92814-2	Phosphorus oxychloride	Free	Free	Free	Free	15 p.c.	25 p.c.
92814-3	Phosphorus pentachloride	Free	Free	Free	Free	20 p.c.	20 p.c.
92814-4	Phosphorus trichloride	Free	Free	Free	Free	20 p.c.	20 p.c.
92814-5	Other halogen compounds of phosphorus	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
	92815—Sulphides of non-metals; phosphorus trisulphide:						
92815-1	Other than the following	Free	Free	Free	Free Free	Free 15 p.c.	Free 25 p.c.
92815-2	Phosphorus pentasulphide	Free	5 p.c.	20 p.c.	Free Free	20 p.c. 5 p.c.	20 p.c. 25 p.c.
92815-3	Other sulphides of phosphorus including phosphorus trisulphide	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
92815-4	Silicon sulphide	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92816-1	92816—Ammonia, anhydrous or in aqueous solution	10 p.c.	10 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
	92817—Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium:						
92817-1	Potassium hydroxide (caustic potash)	7½ p.c.	7½ p.c.	20 p.c.	Free 10 p.c.	Free 12½ p.c.	Free 15 p.c.
92817-2	Potassium peroxide	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92817-3	Sodium hydroxide (caustic soda)	10 p.c.	15 p.c.	25 p.c.	1/5 ct. per pound 17½ p.c. 15 p.c.	3/10 ct. per pound 25 p.c. 17½ p.c.	3/10 ct. per pound 25 p.c. 17½ p.c.

92817-4	Sodium peroxide	Free	15 p.c.	25 p.c.	Free	12½ p.c	20 p.c.
	92818—Oxides, hydroxides and peroxides, of strontium or barium; hydroxides and peroxides of magnesium; magnesium oxide, howsoever produced, not less than 94 per cent pure:						
92818-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free Free 12½ p.c. 15 p.c.	15 p.c. 5 p.c. 17½ p.c. 19½ p.c.	25 p.c. 25 p.c. 22½ p.c. 25 p.c.
92818-2	Magnesium oxide, howsoever produced, not less than 94 per cent pure	Free	Free	Free	Free 15 p.c. Free	15 p.c. 15 p.c. Free	25 p.c. 30 p.c. Free
92819-1	92819—Zinc oxide and zinc peroxide	Free	12½ p.c.	25 p.c.	Free Free	15 p.c. 12½ p.c.	25 p.c. 15 p.c.
92820-1	92820—Aluminum oxide and hydroxide; artificial corundum	Free	Free	Free	Free	Free	Free
92821-1	92821—Chromium oxides and hydroxides	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92822-1	92822—Manganese oxides	Free	Free	Free	Free Free	Free Free	Free 22½ p.c.
92823-1	92823—Iron oxides and hydroxides; earth colours containing 70 per cent or more by weight of combined iron evaluated as Fe_2O_3	10 p.c.	15 p.c.	25 p.c.	Free 5 p.c. 12½ p.c. Free	15 p.c. 12½ p.c. 17½ p.c. 20 p.c.	25 p.c. 15 p.c. 22½ p.c. 22½ p.c.
	92824—Cobalt oxides and cobalt hydroxides:						
92824-1	Cobalt hydroxides	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92824-2	Cobalt oxides	Free	10 p.c.	20 p.c.	Free Free	10 p.c. Free	10 p.c. 22½ p.c.
92825-1	92825—Titanium oxides	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. 20 p.c.	15 p.c. 22½ p.c.
92826-1	92826—Tin oxides (stannous oxide and stannic oxide)	Free	15 p.c.	25 p.c.	Free	15 p.c.	15 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	92827—Lead oxides; red lead and orange lead:						
92827-1	Other than the following	Free	15 p.c.	25 p.c.	Free Free Free	15 p.c. Free 15 p.c.	25 p.c. Free 15 p.c.
92827-2	Red lead and orange lead	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	15 p.c.
	92828—Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases and metallic oxides, hydroxides and peroxides:						
92828-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 12½ p.c. Various	15 p.c. 17½ p.c. Various	25 p.c. 22½ p.c. Various
92828-2	Antimony oxides	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. Free	15 p.c. 10 p.c.
92828-3	Zirconium oxide	Free	5 p.c.	15 p.c.	Free	5 p.c.	7½ p.c.
	92829—Fluorides; fluorosilicates; fluoroborates and other complex fluorine salts:						
92829-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 22½ p.c.
92829-2	Sodium fluoroaluminate (synthetic cryolite)	Free	Free	Free	Free	Free	Free
	92830—Chlorides and oxychlorides:						
92830-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92830-2	Aluminum chloride	Free	10 p.c.	20 p.c.	Free Free	10 p.c. Free	10 p.c. 10 p.c.
92830-3	Antimony chlorides and oxychlorides	Free	Free	Free	Free Free	Free 15 p.c.	Free 25 p.c.

92830-4	Stannous chloride	Free	10 p.c.	20 p.c.	Free Free	10 p.c. Free	10 p.c. 10 p.c.
	92831—Chlorites and hypochlorites:						
92831-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 20 p.c.	25 p.c. 30 p.c.
92831-2	Calcium hypochlorite	Free	5 p.c.	10 p.c.	Free 17½ p.c.	15 cts. per one hundred pounds 25 p.c.	15 cts. 25 p.c.
	92832—Chlorates and perchlorates:						
92832-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free Free Free	15 p.c. 15 p.c. Free	25 p.c. 20 p.c. Free
92832-2	Sodium chlorate	Free	10 p.c.	25 p.c.	Free	12½ p.c.	20 p.c.
92833-1	92833—Bromides, oxybromides, bromates and perbromates, and hypobromites	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92834-1	92834—Iodides, oxyiodides, iodates and periodates	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
	92835—Sulphides; polysulphides:						
92835-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free Various	15 p.c. Various	25 p.c. Various
92835-2	Sodium sulphide	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
	92836—Dithionites, including those stabilized with organic substances; sulphoxylates:						
92836-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 20 p.c.	25 p.c. 25 p.c.
92836-2	Sodium dithionite	Free	Free	Free	Free	Free	10 p.c.
92836-3	Sodium formaldehyde sulphoxylate	Free	Free	Free	Free	Free	10 p.c.
92836-4	Zinc dithionite	Free	Free	Free	Free	Free	10 p.c.
92836-5	Zinc formaldehyde sulphoxylate	Free	Free	Free	Free	Free	10 p.c.
	92837-1—Sulphites and thiosulphates:						
92837-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. 10 p.c.	25 p.c. 25 p.c. 10 p.c.

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92837-2	Sodium bisulphite (sodium hydrogen sulphite)	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
92837-3	Sodium metabisulphite	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
92837-4	Sodium sulphite, neutral	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
	92838—Sulphates (including alums) and persulphates:						
92838-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92838-2	Aluminum ammonium sulphate, not calcined	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c.
92838-3	Aluminum potassium sulphate, not calcined	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c.
92838-4	Aluminum sodium sulphate, not calcined	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c.
92838-5	Aluminum sulphate, basic or normal	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c
92838-6	Barium sulphate	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
92838-7	Calcium sulphate	Free	Free	Free	Free Free	15 p.c. 10 p.c.	25 p.c. 10 p.c.
92838-8	Chromium potassium sulphate	Free	Free	10 p.c.	Free	Free	10 p.c.
92838-9	Chromium sulphate, basic	Free	Free	10 p.c.	Free	Free	10 p.c.
92838-10	Cupric sulphate	Free	10 p.c.	15 p.c.	Free Free 15 p.c.	10 p.c. 15 p.c. 19½ p.c.	10 p.c. 25 p.c. 25 p.c.
92838-11	Ferrous sulphate, other than exsiccated U.S.P.	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
92838-12	Potassium sulphate containing, in the dry state, more than 52 per cent by weight of K_2O, less than 99 per cent pure	Free	Free	Free	Free	Free	Free
92838-13	Sodium sulphate, acid (sodium hydrogen sulphate)	Free	Free	Free	Free	20 p.c.	20 p.c.

	92839—Nitrites and nitrates:						
92839-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. 22½ p.c. Various
92839-2	Potassium nitrate	Free	Free	Free	Free	Free	Free
92839-3	Sodium nitrate containing, in the dry state, more than 16.3 per cent by weight of nitrogen	Free	Free	Free	Free	Free	Free
92839-4	Sodium nitrite	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	20 p.c.
92839-5	Strontium nitrate	Free	Free	Free	Free Free	15 p.c. Free	25 p.c. Free
92840-1	92840—Phosphites, hypophosphites and phosphates	10 p.c.	15 p.c.	25 p.c.	Free Free 15 p.c. Various	15 p.c. 25 p.c. 19½ p.c. Various	25 p.c. 25 p.c. 25 p.c. Various
	92841—Arsenites and arsenates:						
92841-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 12½ p.c. Free	15 p.c. 17½ p.c. Free	25 p.c. 22½ p.c. 22½ p.c.
92841-2	Sodium arsenates	Free	10 p.c.	15 p.c.	Free	12½ p.c.	20 p.c.
	92842—Carbonates and percarbonates; commercial ammonium carbonate containing ammonium carbamate:						
92842-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92842-2	Potassium carbonate	Free	Free	Free	Free 10 p.c.	Free 12½ p.c.	Free 15 p.c.
92842-3	Sodium bicarbonate	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	25 p.c.
	92843—Cyanides and complex cyanides:						
92843-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free Free 12½ p.c.	15 p.c. 15 p.c. 17½ p.c.	25 p.c. 15 p.c. 22½ p.c.
92843-2	Calcium cyanide	Free	Free	Free	Free	Free	Free

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92843-3	Potassium cyanide	Free	Free	Free	Free	Free	Free
92843-4	Sodium cyanide	Free	Free	Free	Free	Free	Free
92843-5	Sodium ferricyanide	Free	Free	Free	Free	12½ p.c.	20 p.c.
92843-6	Sodium ferrocyanide	Free	Free	Free	Free	12½ p.c.	20 p.c.
92844-1	92844—Fulminates, cyanates and thiocyanates	10 p.c.	15 p.c.	25 p.c.	Free Free 1¾ cts. per pound	15 p.c. Free 2¼ cts. per pound	25 p.c. 10 p.c. 2½ cts. per pound
	92845—Silicates; commercial sodium and potassium silicates:						
92845-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92845-2	Calcium silicates	Free	Free	Free	Free	15 p.c.	25 p.c.
92845-3	Sodium silicates	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
92845-4	Zirconium silicate	Free	Free	Free	Free	Free	Free
	92846—Borates and perborates:						
92846-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92846-2	Sodium tetraborate	Free	Free	Free	Free Free	Free 15 p.c.	Free 25 p.c.
	92847—Salts of metallic acids (for example, chromates, permanganates, stannates):						
92847-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free Various	15 p.c. Various	25 p.c. Various
92847-2	Sodium dichromate	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	20 p.c.
92847-3	Sodium stannate	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	20 p.c.

92848-1	92848—Other salts and peroxysalts of inorganic acids, but not including azides	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92849-1	92849—Colloidal precious metals; amalgams of precious metals; salts and other compounds, inorganic or organic, of precious metals, including albuminates, proteinates, tannates and similar compounds, whether or not chemically defined	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92850-1	92850—Fissile chemical elements and isotopes; other radio-active chemical elements and radio-active isotopes; compounds, inorganic or organic, of such elements or isotopes, whether or not chemically defined; alloys, dispersions and cermets, containing any of these elements, isotopes or compounds	Free	Free	Free	Free Various	Free Various	Free Various
92851-1	92851—Isotopes and their compounds, inorganic or organic, whether or not chemically defined, other than isotopes or compounds falling within heading 92850	Free	Free	Free	Free Various	Free Various	25 p.c. Various
92852-1	92852—Compounds, inorganic or organic, of thorium, of uranium depleted in U 235, of rare earth metals, of yttrium or of scandium, whether or not mixed together	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92853-1	92853—Liquid air (whether or not rare gases have been removed); compressed air	Free	Free	Free	15 p.c.	19½ p.c.	25 p.c.
92854-1	92854—Hydrogen peroxide (including solid hydrogen peroxide or urea peroxide)	Free	15 p.c.	25 p.c.	12½ p.c. Free Free	22½ p.c. 22½ p.c. 15 p.c.	25 p.c. 25 p.c. 25 p.c.
	92855—Phosphides:						
92855-1	Other than the following	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
92855-2	Iron phosphide (ferrophosphorus) used in the manufacture of steel or iron	Free	5 p.c.	5 p.c.	Free	5 p.c.	5 p.c.
	92856—Carbides (for example, silicon carbide, boron carbide, metallic carbides):						
92856-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.

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92856-2	Artificial abrasive grains, crushed or ground.....	Free	Free	Free	Free	Free	Free
92856-3	Calcium carbide.....	5 p.c.	10 p.c.	20 p.c.	15 p.c.	19½ p.c.	25 p.c.
	92857—Hydrides, nitrides and azides, silicides and borides:						
92857-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92857-2	Artificial abrasive grains, crushed or ground.....	Free	Free	Free	Free	Free	Free
	92858—Other inorganic compounds (including distilled and conductivity water and water of similar purity); amalgams, except amalgams of precious metals:						
92858-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. 20 p.c.	25 p.c. 25 p.c. 20 p.c.
92858-2	Calcium cyanamide containing, in the dry state, more than 25 per cent by weight of nitrogen.....	Free	Free	Free	Free	Free	Free
92858-3	Cyanogen bromide.....	Free	Free	Free	Free	Free	Free
	CHAPTER 929						
	ORGANIC CHEMICALS						
	92901—Hydrocarbons:						
92901-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92901-2	Benzene.....	Free	Free	Free	1/3 ct. per gallon Various	1/3 ct. per gallon Various	1 ct. per gallon Various

92901-3	Butadiene	Free	Free	Free	15 p.c.	19½ p.c.	25 p.c.
92901-4	Butanes	10 p.c.	12½ p.c.	25 p.c.	10 p.c.	12½ p.c.	25 p.c.
92901-5	Butylenes (butenes)	Free	Free	Free	10 p.c.	12½ p.c.	25 p.c.
92901-6	Camphene	Free	Free	Free	Free	15 p.c.	25 p.c.
92901-7	Dipentene	Free	Free	Free	Free Free	Free Free	Free 10 p.c.
92901-8	Essential oils, natural or synthetic	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92901-9	Ethylene	Free	Free	Free	Free Free Free	15 p.c. Free Free	25 p.c. Free 10 p.c.
92901-10	Hexanes	Free	Free	Free	3/4 ct. per gallon	1 ct. per gallon	2 cts. per gallon
92901-11	Pinenes	Free	Free	Free	Free	Free	Free
92901-12	Propane	10 p.c.	12½ p.c.	25 p.c.	10 p.c.	12½ p.c.	25 p.c.
92901-13	Propylene	Free	Free	Free	10 p.c. Free	12½ p.c. Free	25 p.c. 10 p.c.
92901-14	Toluene	Free	Free	Free	1/3 ct. per gallon Various	1/3 ct. per gallon Various	1 ct. per gallon Various
92901-15	Xylenes	Free	Free	Free	1/3 ct. per gallon Various	1/3 ct. per gallon Various	1 ct. per gallon Various
	92902—Halogenated derivatives of hydrocarbons:						
92902-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92902-2	Essential oils, natural or synthetic	Free	7½ p.c.	7½ p c.	Free Free	7½ p.c. Free	7½ p.c. 10 p.c.
92902-3	Ethylene dibromide	Free	Free	Free	Free Free Free	15 p.c. Free Free	25 p.c. 25 p.c. 10 p.c.

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92903-1	92903—Sulphonated, nitrated or nitrosated derivatives of hydrocarbons	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
	92904—Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92904-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92904-2	Amyl alcohols	Free	Free	Free	Free	Free	Free
92904-3	Essential oils, natural or synthetic	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92904-4	Ethylene glycol	10 p.c.	10 p.c.	25 p.c.	Free 10 p.c. 15 p.c. Free	Free 10 p.c. 19½ p.c. Free	Free 25 p.c. 25 p.c. 10 p.c.
92904-5	Methyl alcohol	5 p.c.	10 p.c.	20 p.c.	20 cts. Free Free	20 cts. per proof gallon Free Free	20 cts. Free 25 p.c.
	92905—Cyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92905-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92905-2	Essential oils, natural or synthetic	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92905-3	Menthol	Free	Free	Free	Free	Free	10 p.c.
92905-4	Terpineol	Free	Free	Free	Free	Free	Free
	92906—Phenols and phenol-alcohols:						
92906-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various

92906-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92907-1	92907—Halogenated, sulphonated, nitrated or nitrosated derivatives of phenols or phenol-alcohols.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
	92908—Ethers, ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides and ether peroxides, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92908-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92908-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
	92909—Epoxides, epoxyalcohols, epoxyphenols and epoxyethers, with a three or four membered ring, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92909-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92909-2	Epichlorohydrin.....	Free	Free	10 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
	92910—Acetals and hemiacetals and single or complex oxygen-function acetals and hemiacetals, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92910-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92910-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
	92911—Aldehydes, aldehyde-alcohols, aldehyde-ethers, aldehyde-phenols and other single or complex oxygen-function aldehydes:						
92911-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92911-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.

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92911-3	Formaldehyde	5 p.c.	10 p.c.	20 p.c.	Free 25 p.c.	Free 25 p.c.	Free 30 p.c.
92912-1	92912—Halogenated, sulphonated, nitrated or nitrosated derivatives of products falling within heading 92911	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
	92913—Ketones, ketone-alcohols, ketone-phenols, ketone-aldehydes, quinones, quinone-alcohols, quinone-phenols, quinone-aldehydes and other single or complex oxygen-function ketones and quinones, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92913-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92913-2	Camphor, natural or synthetic	Free	5 p.c.	25 p.c.	Free Free	5 p.c. Free	10 p.c. 10 p.c.
92913-3	Essential oils, natural or synthetic	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
	92914—Monoacids and their anhydrides, acid halides, acid peroxides and peracids, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92914-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92914-2	Acrylic acid	Free	Free	10 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92914-3	Amyl acetate	Free	15 p.c.	25 p.c.	10 p.c.	25 p.c.	30 p.c.
92914-4	Copper acetate, basic (verdigris)	Free	Free	Free	Free	Free	Free
92914-5	Essential oils, natural or synthetic	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.

92914-6	Formic acid	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. Free	25 p.c. 10 p.c.
92914-7	Lead acetate, neutral	Free	10 p.c.	25 p.c.	Free Free	15 p.c. 10 p.c.	25 p.c. 10 p.c.
92914-8	Methacrylic acid	Free	Free	10 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92914-9	Methyl acrylate	Free	Free	10 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
	92915—Polyacids and their anhydrides, acid halides, acid peroxides and peracids, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92915-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92915-2	Dimethyl terephthalate	Free	Free	10 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92915-3	Phthalic anhydride	10 p.c.	12½ p.c.	25 p.c.	15 p.c. Free	19½ p.c. Free	25 p.c. 10 p.c.
	92916—Alcohol-acids, aldehyde-acids, ketone-acids, phenol-acids and other single or complex oxygen-function acids. and their anhydrides, acid halides, acid peroxides and peracids, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92916-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92916-2	Antimony lactate	Free	Free	Free	Free	Free	Free
92916-3	Antimony potassium tartrate	Free	Free	Free	Free	Free	Free
92916-4	Diacetoneketogulonic acid	Free	Free	25 p.c.	Free Free	15 p.c. Free	25 p.c. 25 p.c.
92916-5	Essential oils, natural or synthetic	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92916-6	Gallic acid	Free	Free	Free	Free	Free	Free
92916-7	Monocalcium citrate	Free	Free	25 p.c.	Free Free	15 p.c. Free	25 p.c. 25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
92916-8	Potassium bitartrate	Free	10 p.c.	25 p.c.	Free	10 p.c.	10 p.c.
92916-9	Tartaric acid	Free	10 p.c.	25 p.c.	Free	10 p.c.	10 p.c.
	92917—Sulphuric esters and their salts, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92917-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
92917-2	Dimethyl sulphate	Free	Free	Free	Free	Free	Free
	92918—Nitrous and nitric esters, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92918-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. 1¾ cts. per pound	15 p.c. 20 p.c. 2¼ cts. per pound	25 p.c. 25 p.c. 2½ cts. per pound
92918-2	Essential oils, natural or synthetic	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92918-3	Ethyl nitrite.....per gallon and	$3.00 30 p.c.	$3.00 30 p.c.	$3.00 30 p.c.	$3.00 30 p.c.	$3.00 30 p.c.	$3.00 30 p.c.
92919-1	92919—Phosphoric esters and their salts, including lactophosphates, and their halogenated, sulphonated, nitrated or nitrosated derivatives	10 p.c.	15 p.c.	25 p.c.	Free Free Free Free	15 p.c. 25 p.c. 5 p.c. Free	25 p.c. 25 p.c. 25 p.c. 10 p.c.
92920-1	92920—Carbonic esters and their salts, and their halogenated, sulphonated, nitrated or nitrosated derivatives	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92921-1	92921—Other esters of mineral acids (excluding halides) and their salts, and their halogenated, sulphonated, nitrated or nitrosated derivatives	10 p.c.	15 p.c.	25 p.c.	Free Free Free	15 p.c. Free Free	25 p.c. 25 p.c. 10 p.c.

92922-1	92922—Amine-function compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. Free Various
92923-1	92923—Single or complex oxygen-function amino-compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92924-1	92924—Quaternary ammonium salts and hydroxides; lecithins and other phosphoaminolipins.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
92925-1	92925—Amide-function compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. 25 p.c. Various
92926-1	92926—Imide-function compounds and imine-function compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92927-1	92927—Nitrile-function compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92928-1	92928—Diazo-, azo-, and azoxy-compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 1¾ cts. per pound	15 p.c. 2¼ cts. per pound	25 p.c. 2½ cts. per pound
92929-1	92929—Organic derivatives of hydrazine or of hydroxylamine.....	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92930-1	92930—Compounds with other nitrogen-functions.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92931-1	92931—Organo-sulphur compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. Free Various
92932-1	92932—Organo-arsenic compounds.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92933-1	92933—Organo-mercury compounds.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
92934-1	92934—Other organo-inorganic compounds	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Free	15 p.c. 19½ p.c. 5 p.c. Free	25 p.c. 25 p.c. 25 p.c. 10 p.c.
	92935—Heterocyclic compounds; nucleic acids:						
92935-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. 10 p.c. Various
92935-2	Caprolactam	5 p.c.	5 p.c.	15 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92935-3	Essential oils, natural or synthetic	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92936-1	92936—Sulphonamides	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 25 p.c.
92937-1	92937—Sultones and sultams	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92938-1	92938—Provitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. 15 p.c. Free	15 p.c. 19½ p.c. 20 p.c. Free	25 p.c. 25 p.c. 25 p.c. 25 p.c.
92939-1	92939—Hormones, natural or reproduced by synthesis, and derivatives thereof, used primarily as hormones	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 25 p.c.
	92940—Enzymes:						
92940-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free 20 p.c. — 15 p.c.	15 p.c. 25 p.c. and 5 cts. per pound 19½ p.c.	25 p.c. 35 p.c. and 10 cts. per pound 25 p.c.

92940-2	Papain	Free	5 p.c.	17½ p.c.	Free	5 p.c.	17½ p.c.
92940-3	Rennet	Free	Free	Free	Free	Free	Free
92941-1	92941—Glycosides, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. Free
	92942—Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives:						
92942-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. Free
92942-2	Nicotine and its salts	Free	Free	10 p.c.	Free	Free	10 p.c.
92942-3	Salts of quinine and quinidine	Free	Free	Free	Free	Free	Free
92943-1	92943—Sugars, chemically pure, other than sucrose and glucose, but including lactose; sugar ethers and sugar esters, and their salts, other than products of headings 92939, 92941 and 92942	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92944-1	92944—Antibiotics	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 25 p.c.
	92945—Other organic compounds:						
92945-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92945-2	Copper acetoarsenite (Paris green)	Free	7½ p.c.	15 p.c.	Free	7½ p.c.	15 p.c.

CHAPTER 931

Fertilizers and Certain Enumerated Goods

93100-1	Fertilizers, formulated; goods for use as fertilizers; all the foregoing whether or not otherwise provided for in this Chapter or elsewhere in Schedule A	Free	Free	Free	Free Free Various	5 p.c. Free Various	10 p.c. Free Various

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	The following, when not for use as fertilizers:						
93100-2	Phosphate rock	Free	Free	Free	Free	Free	Free
93100-3	Bone ash, bone dust and charred bone	Free	Free	Free	Free	Free	Free
93100-4	Fish offal or refuse; tankage	Free	Free	Free	Free Free	Free 5 p.c.	Free 10 p.c.
93102-1	Ammonium nitrate, whether or not coated or prilled	Free	Free	Free	Free Free 15 p.c.	10 p.c. 25 p.c. 20 p.c.	25 p.c. 25 p.c. 25 p.c.
93102-2	Ammonium sulphate	Free	Free	Free	Free	Free	Free
93102-3	Ammonium sulphonitrate; calcium nitrate—magnesium nitrate	Free	Free	Free	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
93102-4	Calcium cyanamide (cyanamid, lime nitrogen) containing, in the dry state, not more than 25 per cent by weight of nitrogen, whether or not treated with oil	Free	Free	Free	Free 15 p.c.	Free 20 p.c.	Free 25 p.c.
93102-5	Calcium nitrate containing, in the dry state, not more than 16 per cent by weight of nitrogen	Free	Free	Free	Free Free	15 p.c. Free	25 p.c. Free
93102-6	Sodium nitrate containing, in the dry state, not more than 16.3 per cent by weight of nitrogen	Free	Free	Free	Free	Free	Free
93102-7	Urea, whether or not coated or prilled	Free	Free	Free	15 p.c. 15 p.c.	19½ p.c. 20 p.c.	25 p.c. 25 p.c.
93103-1	Calcium hydrogen phosphate (calcium phosphate, dibasic) containing, in the dry state, not less than 0.2 per cent by weight of fluorine	Free	Free	Free	Free	25 p.c.	25 p.c.

93103-2	Calcium phosphates, disintegrated (calcined), (thermophosphates and fused phosphates); superphosphates (single, double or triple).....	Free	Free	Free	Free 15 p.c.	25 p.c. 19½ p.c.	25 p.c. 25 p.c.
93104-1	Magnesium sulphate-potassium sulphate containing not more than 30 per cent by weight of K_2O.....	Free	Free	Free	Free	15 p.c.	25 p.c.
93104-2	Mineral potash.....	Free	Free	Free	Free	Free	Free
93104-3	Potassium chloride, but not including cultured crystals weighing not less than 2½ grammes each	Free	Free	Free	Free Free	Free Free	Free 25 p.c.
93104-4	Potassium sulphate containing, in the dry state, not more than 52 per cent by weight of K_2O.....	Free	Free	Free	Free 15 p.c.	Free 19½ p.c.	Free 25 p.c.
93105-1	Ammonium phosphates containing, in the dry state, not less than 6 mg. of arsenic per kg.....	Free	Free	Free	Free Free	15 p.c. 25 p.c.	25 p.c. 25 p.c.
93105-2	Potassic sodium nitrate.....	Free	Free	Free	Free	Free	25 p.c.

CHAPTER 932

Tanning and Dyeing Extracts; Tannins and their Derivatives; Dyes, Colours, Paints and Varnishes; Putty, Fillers and Stoppings; Inks

93201-1	93201—Tanning extracts of vegetable origin.....	Free	Free	Free	Free	Free	Free
	93202—Tannins (tannic acids), including water-extracted gall-nut tannin, and their salts, ethers, esters and other derivatives:						
93202-1	Tannins (tannic acids) including water-extracted gall-nut tannin.....	Free	Free	Free	Free	Free	Free
93202-2	The salts, ethers, esters and other derivatives of the foregoing.....	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	93203—Synthetic tanning substances, whether or not mixed with natural tanning materials; artificial bates for pretanning (for example, of enzymatic, pancreatic or bacterial origin):						
93203-1	Other than the following	Free	Free	Free	Free 15 p.c. 15 p.c.	Free 20 p.c. 19½ p.c.	10 p.c. 25 p.c. 25 p.c.
93203-2	Sodium formaldehyde naphthalene sulphonates	10 p.c.	15 p.c.	25 p.c.	Free	Free	10 p.c.
	93204—Colouring matter of vegetable origin (including dyewood extract and other vegetable dyeing extracts, but excluding indigo) or of animal origin:						
93204-1	Other than the following	Free	Free	Free	Free 12½ p.c. 15 p.c.	Free 17½ p.c. 19½ p.c.	Free 22½ p.c. 25 p.c.
93204-2	Vegetable materials for use as edible colourings	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	93205—Synthetic organic dyestuffs (including pigment dyestuffs); synthetic organic products of a kind used as luminophores; products of the kind known as optical bleaching agents, substantive to the fibre; natural indigo:						
93205-1	Other than the following	Free	Free	10 p.c.	Free Various	Free Various	10 p.c. Various
93205-2	Quinacridone pigment dyestuffs	Free	5 p.c.	10 p.c.	12½ p.c.	17½ p.c.	22½ p.c.
93205-3	Pigment dyestuffs, n.o.p.	10 p.c.	15 p.c.	25 p.c.	12½ p.c. 15 p.c. Various	17½ p.c. 20 p.c. Various	22½ p.c. 25 p.c. Various

93206-1	93206—Colour lakes	10 p.c.	15 p.c.	25 p.c.	15 p.c. 12½ p.c.	20 p.c. 17½ p.c.	25 p.c. 22½ p.c.
	93207—Other colouring matter; inorganic products of a kind used as luminophores:						
93207-1	Other than the following	Free	5 p.c.	15 p.c.	12½ p.c. Free Free	17½ p.c. Free Free	22½ p.c. 25 p.c. 10 p.c.
93207-2	Black polyethylene masterbatch	5 p.c.	10 p.c.	20 p.c.	15 p.c. Free	20 p.c. Free	25 p.c. 10 p.c.
93207-3	Inorganic pigments, n.o.p.	10 p.c.	15 p.c.	25 p.c.	12½ p.c. Free Free	17½ p.c. Free Free	22½ p.c. 25 p.c. 10 p.c.
93207-4	Inorganic products of a kind used as luminophores	Free	Free	10 p.c.	Free Free	5 p.c. Free	25 p.c. 22½ p.c.
93207-5	Lithopone	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	15 p.c.
93207-6	Titanium whites, not including pure titanium dioxide	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. Free	15 p.c. 25 p.c.
93207-7	Ultramarine	Free	10 p.c.	15 p.c.	Free Free	10 p.c. Free	10 p.c. 25 p.c.
93207-8	Zinc grey	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	15 p.c.
93208-1	93208—Prepared pigments, prepared opacifiers and prepared colours, vitrifiable enamels and glazes, liquid lustres and similar products, of the kind used in the ceramic, enamelling and glass industries; engobes (slips); glass frit, in the form of powder, granules or flakes, but not other glass	10 p.c.	15 p.c.	25 p.c.	12½ p.c. 15 p.c.	17½ p.c. 20 p.c.	22½ p.c. 25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	93209—Varnishes and lacquers; distempers; prepared water pigments of the kind used for finishing leather; paints and enamels; pigments in linseed oil, white spirit, spirits of turpentine, varnish or other paint or enamel media; pearl essence; stamping foils; dyes in forms or packages for sale at retail:						
93209-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	17½ p.c. 75 cts. per gallon 15 cts. per gallon and 5 p.c. Various	20 p.c. 85 cts. per gallon 15 cts. per gallon and 15 p.c. Various	30 p.c. $1.25 per gallon 20 cts. per gallon and 30 p.c. Various
93209-2	Pearl essence, natural or synthetic	Free	Free	10 p.c.	Free Various	Free Various	30 p.c. Various
	93210—Artists', students' and signboard painters' colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or in similar forms or packings, including such colours in sets or outfits, with or without brushes, palettes or other accessories:						
93210-1	Other than the following	Free	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	30 p.c. 25 p.c.
93210-2	Water colours, in liquid or powder form, in jars, bottles or tins	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	30 p.c.
93211-1	93211—Prepared driers	10 p.c.	15 p.c.	25 p.c.	15 p.c. 15 cts. per gallon and 5 p.c.	20 p.c. 15 cts. per gallon and 15 p.c.	25 p.c. 20 cts. per gallon and 30 p.c.
93212-1	93212—Glaziers' putty; grafting putty; painters' fillings, and stopping, sealing and similar mastics, including resin mastics and cements	10 p.c.	15 p.c.	25 p.c.	12½ p.c. 17½ p.c. Various	17½ p.c. 22½ p.c. Various	22½ p.c. 27½ p.c. Various

93213-1	93213—Writing ink, printing ink and other inks.....	10 p.c.	15 p.c.	25 p.c.	12½ p.c. 12½ p.c. 15 p.c. Various	15 p.c. 17½ p.c. 20 p.c. Various	25 p.c. 25 p.c. 25 p.c. Various
	CHAPTER 934						
	ORGANIC SURFACE-ACTIVE AGENTS; WASHING PREPARATIONS; SYNTHETIC WAXES						
93402-1	93402—Organic surface-active agents, surface-active preparations and washing preparations, whether or not containing soap.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. 12½ p.c. 15 p.c. Various	20 p.c. 17½ p.c. 19½ p.c. Various	25 p.c. 25 p.c. 25 p.c. Various
	93404—Synthetic wax; waxes containing synthetic wax:						
93404-1	Other than the following.....	10 p.c.	10 p.c.	25 p.c.	15 p.c. Various	15 p.c. Various	25 p.c. Various
93404-2	Polyethylene of a weight-average molecular weight not exceeding 5,000.....	Free	Free	10 p.c.	7½ p.c.	7½ p.c.	17½ p.c.
93404-3	Waxes containing synthetic wax.....	15 p.c.	15 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	CHAPTER 936						
	EXPLOSIVES						
93601-1	93601—Propellent powders.....	5 p.c.	10 p.c.	20 p.c.	1¾ cts. per pound 2 cts. per pound	1¾ cts. per pound 2¾ cts. per pound	2 cts. per pound 3 cts. per pound
93602-1	93602—Prepared explosives other than propellent powders.....	7½ p.c.	12½ p.c.	25 p.c.	1¾ cts. per pound	2¼ cts. per pound	2½ cts. per pound
	CHAPTER 937						
	PHOTOGRAPHIC CHEMICALS						
93708-1	93708—Chemical products and flash light materials, of a kind and in a form suitable for use in photography.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. Free Various	20 p.c. 15 p.c. Various	25 p.c. 25 p.c. Various

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	CHAPTER 938						
	MISCELLANEOUS CHEMICAL PRODUCTS						
93802-1	93802—Animal black (for example, bone black and ivory black), including spent animal black.....	Free	Free	Free	Free Free 15 p.c.	Free 25 p.c. 19½ p.c.	Free 25 p.c. 25 p.c.
	93803—Activated carbon (decolourising, depolarising or adsorbent); activated diatomite, activated clay, activated bauxite and other activated natural mineral products:						
93803-1	Other than the following.....	Free	Free	Free	Free Free 15 p.c.	Free Free 19½ p.c.	Free 25 p.c. 25 p.c.
93803-2	Activated clay.....	10 p.c.	15 p.c.	25 p.c.	Free 10 p.c. 15 p.c.	Free 10 p.c. 20 p.c.	25 p.c. 25 p.c. 25 p.c.
93803-3	Activated perlite.....	10 p.c.	10 p.c.	25 p.c.	10 p.c. 15 p.c.	10 p.c. 19½ p.c.	25 p.c. 25 p.c.
93804-1	93804—Ammoniacal gas liquors and spent oxide produced in coal gas purification.....	10 p.c.	15 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
93805-1	93805—Tall oil.....	Free	Free	Free	Free	Free	Free
93806-1	93806—Concentrated sulphite lye.....	10 p.c.	15 p.c.	25 p.c.	Free Free	Free Free	Free 10 p.c.
93807-1	93807—Spirits of turpentine (gum, wood and sulphate) and other terpenic solvents produced by the distillation or other treatment of coniferous woods; crude dipentene; sulphite turpentine; pine oil (excluding "pine oils" not rich in terpineol).....	Free	Free	Free	Free 15 p.c.	Free 19½ p.c.	Free 25 p.c.

93808-1	93808—Rosin and resin acids, and derivatives thereof other than ester gums included in heading 93905; rosin spirit and rosin oils	Free	Free	Free	Free Free Free	Free Free 15 p.c.	Free 10 p.c. 25 p.c.
93809-1	93809—Wood tar; wood tar oils (other than the composite solvents or thinners falling within heading 93818); wood creosote; wood naphtha; acetone oil	Free	Free	Free	20 cts. Free Free 15 p.c.	20 cts. per proof gallon 15 p.c. Free 19½ p.c.	20 cts. 25 p.c. Free 25 p.c.
	93810—Vegetable pitch of all kinds; brewers' pitch and similar compounds based on rosin or on vegetable pitch; foundry core binders based on natural resinous products:						
93810-1	Other than the following	Free	Free	Free	Free 15 p.c. 15 p.c.	Free 20 p.c. 19½ p.c.	Free 25 p.c. 25 p.c.
93810-2	Foundry core binders	10 p.c.	10 pc.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	93811—Chemicals for use exclusively as, and preparations compounded exclusively for use as disinfectants, insecticides, fungicides, herbicides, anti-sprouting products, rodenticides or otherwise in combatting pests of a plant or animal nature; all the foregoing subject to such regulations as the Minister may prescribe:						
93811-1	Other than the following	Free	Free	Free	Free Various	Free Various	Free Various
93811-2	When in packages not exceeding 3 pounds each gross weight	Free	7½ p.c.	25 p.c.	Free Various	12½ p.c. Various	25 p.c. Various
	93812—Prepared glazings, prepared dressings and prepared mordants, of a kind used in the textile, paper, leather or like industries:						
93812-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	15 p.c. Various	20 p.c. Various	25 p.c. Various
93812-2	Preparations of these kinds having the quality of starch.....per pound	1 ct.	1 ct.	2 cts.	1 ct.	1 ct.	2 cts.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
93812-3	Prepared mordants	Free	Free	Free	Free Free 15 p.c.	Free Free 20 p.c.	Free 10 p.c. 25 p.c.
93812-4	Rosin sizing	5 p.c.	7½ p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
93813-1	93813—Pickling preparations for metal surfaces; fluxes and other auxiliary preparations for soldering, brazing or welding; soldering, brazing or welding powders and pastes consisting of metal and other materials; preparations of a kind used as cores or coatings for welding rods and electrodes..	10 p.c.	15 p.c.	25 p.c.	15 p.c. 15 p.c.	20 p.c. 19½ p.c.	25 p.c. 25 p.c.
	93814—Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and similar prepared additives for mineral oils:						
93814-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	15 p.c. Various	20 p.c. Various	25 p.c. Various
93814-2	Anti-knock preparations	5 p.c.	10 p.c.	25 p.c.	15 p.c. Free 12½ p.c.	20 p.c. 5 p.c. 12½ p.c.	25 p.c. 10 p.c. 25 p.c.
93815-1	93815—Prepared rubber accelerators	10 p.c.	15 p.c.	25 p.c.	15 p.c. Free 15 p.c.	20 p.c. 15 p.c. 19½ p.c.	25 p.c. 25 p.c. 25 p.c.
93816-1	93816—Prepared culture media for development of micro-organisms	Free	Free	Free	15 p.c. Free	20 p.c. Free	25 p.c. 25 p.c.
93817-1	93817—Preparations and charges for fire-extinguishers, not including charged fire-extinguishing grenades...	10 p.c.	15 p.c.	25 p.c.	15 p.c. Free 15 p.c.	20 p.c. 15 p.c. 19½ p.c.	25 p.c. 25 p.c. 25 p.c.

93818-1	93818—Composite solvents and thinners for varnishes and similar products	10 p.c.	15 p.c.	25 p.c.	15 p.c. 25 p.c. $2.00 per gallon and 20 p.c. 15 p.c.	20 p.c. 25 p.c. $2.00 per gallon and 20 p.c. 19½ p.c.	25 p.c. 30 p.c. $3.00 per gallon and 30 p.c. 25 p.c.
	93819—Chemical products and preparations of the chemical or allied industries (not including those consisting of mixtures of natural products other than compounded extenders for paints), n.o.p.; residual products of the chemical or allied industries, n.o.p.; not including soap, nor pharmaceutical, flavouring, perfumery, cosmetic or toilet preparations:						
93819-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	15 p.c. 25 p.c. Various	20 p.c. 25 p.c. Various	25 p.c. 30 p.c. Various
93819-2	Alkyl aryl hydrocarbons, unsulphonated reaction blends	5 p.c.	10 p.c.	25 p.c.	Free Free 15 p.c.	Free 15 p.c. 19½ p.c.	1ct./gal. 25 p.c. 25 p.c.
93819-3	Anti-freezing compounds	15 p.c.	15 p.c.	25 p.c.	15 p.c. 15 p.c. 25 p.c. $2.00 per gallon and 20 p.c.	15 p.c. 20 p.c. 25 p.c. $2.00 per gallon and 20 p.c.	25 p.c. 25 p.c. 30 p.c. $3.00 per gallon and 30 p.c.
93819-4	Blends of tall oil and tall oil pitch without other admixture	Free	Free	25 p.c.	Free	Free	Free
93819-5	Catalyst preparations for cracking petroleum, other than the fluid-bed type	Free	Free	25 p.c.	Free	Free	25 p.c.
93819-6	Coal tar dye intermediates in solvents	Free	Free	15 p.c.	Free	Free	25 p.c.
93819-7	Fusel oil	Free	Free	15 p.c.	Free	Free	Free
93819-8	Hydrolized animal matter for use as retarder	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
93819-9	Mixtures of ethylene glycol and other glycols in which ethylene glycol predominates, for use in the manufacture of anti-freezing compounds	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
93819-10	Skimmings, dried or not, from residual lyes from the manufacture of wood pulp by the alkali or sulphate processes	Free	Free	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
93819-11	Tin-based stabilizers for synthetic resins	Free	Free	25 p.c.	Free	Free	10 p.c.
	CHAPTER 939						
	ARTIFICIAL RESINS AND PLASTIC MATERIALS, CELLULOSE ESTERS AND ETHERS, AND ARTICLES THEREOF						
	93901—Condensation, polycondensation and polyaddition products, whether or not modified or polymerised, and whether or not linear (for example, phenoplasts, aminoplasts, alkyds, polyallyl esters and other unsaturated polyesters, silicones):						
	(*a*) Without admixture other than an agent necessary to prevent caking, including scrap and waste; aqueous emulsions, aqueous dispersions or aqueous solutions, without other admixture:						
93901-1	Other than the following	10 p.c.	10 p.c.	20 p.c.	Free 5 p.c. 7½ p.c. Various	Free 5 p.c. 7½ p.c. Various	10 p.c. 15 p.c. 17½ p.c. Various
93901-2	Polyamide epichlorohydrins	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.
93901-3	Polycaprolactam	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.
93901-4	Urea formaldehydes	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.
	(*b*) In organic solvents, where the weight of the solvent does not exceed 50 per cent of the weight of the solution, without other admixture:						

93901-21	Other than the following	12½ p.c.	12½ p.c.	25 p.c.	12½ p.c. 10 p.c.	12½ p.c. 10 p.c.	22½ p.c. 20 p.c.
93901-22	Urea formaldehydes	10 p.c.	10 p.c.	20 p.c.	12½ p.c.	12½ p.c.	22½ p.c.
	(*c*) Moulding compositions, n.o.p., including scrap or waste, whether or not completely formulated; such compositions in the form of not fully cured preforms for compression moulding:						
93901-41	Other than the following	12½ p.c.	12½ p.c.	25 p.c.	10 p.c. 5 p.c. Free	15 p.c. 5 p.c. Free	25 p.c. 15 p.c. 10 p.c.
93901-42	Polyurethanes	7½ p.c.	7½ p.c.	25 p.c.	Free	Free	10 p.c.
93901-43	Silicones	7½ p.c.	7½ p.c.	25 p.c.	Free	Free	10 p.c.
93901-44	Urea formaldehydes	10 p.c.	10 p.c.	25 p.c.	Free	Free	10 p.c.
93901-61	(*d*) Compositions, n.o.p., composed entirely or predominantly of the condensation, polycondensation and polyaddition materials of sub-heading (*a*) of this heading	15 p.c.	15 p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
93901-71	(*e*) Admixed with other materials to form glues or adhesives packaged or in bulk	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	17½ p.c.	27½ p.c.
93901-75	(*f*) Foamed and expanded, in logs, sheets, blocks, boards, flakes, granules, powder, shreds, scrap or waste	15 p.c.	15 p.c.	25 p.c.	15 p.c. Free	20 p.c. Free	25 p.c. Free
93901-81	(*g*) Plates, sheets, film, sheeting, strip; lay-flat or other tubing, blocks, bars, rods, sticks, non-textile monofilament and other profile shapes imported in lengths, all produced in uniform cross-section	17½ p.c.	17½ p.c.	25 p.c.	Free 10 p.c. 15 p.c.	Free 10 p.c. 15 p.c.	10 p.c. 20 p.c. 25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	93902—Polymerisation and copolymerisation products (for example, polyethylene, polytetrahaloethylenes, polyisobutylene, polystyrene, polyvinyl chloride, polyvinyl acetate, polyvinyl chloroacetate and other polyvinyl derivatives, polyacrylic and polymethacrylic derivatives, coumarone-indene resins):						
	(*a*) Without admixture other than an agent necessary to prevent caking, including scrap and waste; aqueous emulsions, aqueous dispersions or aqueous solutions, without other admixture:						
93902—1	Other than the following.....	10 p.c.	10 p.c.	20 p.c.	5 p.c. Free 7½ p.c.	5 p.c. Free 7½ p.c.	15 p.c. 10 p.c. 17½ p.c.
93902–2	Polyacrylic type, including polymethacrylic, emulsions or dispersions.....	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.
93902–3	Polyethylene type.....	7½ p.c.	7½ p.c.	20 p.c.	7½ p.c. Free	7½ p.c. Free	17½ p.c. 10 p.c.
93902–4	Polypropylene type.....	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.
93902–21	(*b*) In organic solvents, where the weight of the solvent does not exceed 50 per cent of the weight of the solution, without other admixture.....	12½ p.c.	12½ p.c.	25 p.c.	10 p.c.	10 p.c.	20 p.c.
	(*c*) Moulding compositions, n.o.p., including scrap or waste, whether or not completely formulated; such compositions in the form of not fully cured preforms for compression moulding:						
93902–41	Other than the following.....	12½ p.c.	12½ p.c.	25 p.c.	10 p.c. Free	10 p.c. Free	20 p.c. 10 p.c.
93902–42	Polyethylene type.....	10 p.c.	10 p.c.	20 p.c.	10 p.c.	10 p.c.	20 p.c.
93902–43	Polypropylene type.....	10 p.c.	10 p.c.	20 p.c.	Free	Free	10 p.c.

93902-61	(*d*) Compositions, n.o.p., composed entirely or predominantly of the polymerisation and copolymerisation materials of sub-heading (*a*) of this heading	15 p.c.	15 p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
93902-71	(*e*) Admixed with other materials to form glues or adhesives packaged or in bulk	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	17½ p.c.	27½ p.c.
93902-75	(*f*) Foamed and expanded, in logs, sheets, blocks, boards, flakes, granules, powder, shreds, scrap or waste	15 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	Free 20 p.c.	Free 25 p.c.
	(*g*) Plates, sheets, film, sheeting, strip; lay-flat or other tubing, blocks, bars, rods, sticks, non-textile monofilament and other profile shapes imported in lengths, all produced in uniform cross-section:						
93902-81	Other than the following	17½ p.c.	17½ p.c.	25 p.c.	Free 15 p.c. 10 p.c. 15 p.c. Various	Free 15 p.c. 10 p.c. 20 p.c. Various	10 p.c. 25 p.c. 20 p.c. 30 p.c. Various
93902-82	Polyethylene type	15 p.c.	15 p.c.	25 p.c.	12½ p.c. 15 p.c.	12½ p.c. 15 p.c.	20 p.c. 25 p.c.
93902-83	Polymethyl methacrylate type plates, sheets, film, sheeting and strip	10 p.c.	10 p.c.	20 p.c.	Free 10 p.c. 15 p.c.	Free 10 p.c. 15 p.c.	10 p.c. 20 p.c. 25 p.c.
93902-84	Polypropylene type	15 p.c.	15 p.c.	25 p.c.	Free 10 p.c. 15 p.c.	Free 10 p.c. 15 p.c.	10 p.c. 20 p.c. 25 p.c.
	93903—Regenerated cellulose; cellulose nitrate, cellulose acetate and other cellulose esters, cellulose ethers or other chemical derivatives of cellulose, plasticised or not (for example, collodions, celluloid); not including vulcanised fibre:						
	(*a*) Without admixture; aqueous emulsions, aqueous dispersions or aqueous solutions, without other admixture; cellulose nitrate with not more than 35 per cent by weight of a dampening agent other than an organic solvent qualifying the product for entry under sub-heading (*b*):						
93903-1	Other than the following	10 p.c.	10 p.c.	20 p.c.	Free Free	Free 15 p.c.	10 p.c. 25 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
93903-2	Cellulose nitrate, dynamite grade	5 p.c.	10 p.c.	20 p.c.	1¾ cts. per pound	2¼ cts. per pound	2½ cts. per pound
93903-3	Sodium carboxymethyl cellulose	10 p.c.	15 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
93903-21	(*b*) In organic solvents, where the weight of the solvent, except for collodions, does not exceed 50 per cent of the weight of the solution, without other admixture	10 p.c.	10 p.c.	20 p.c.	10 p.c. Free 15 p.c.	10 p.c. Free 17½ p.c.	20 p.c. 10 p.c. 17½ p.c.
93903-41	(*c*) Moulding compositions, n.o.p., including scrap or waste, whether or not completely formulated; such compositions in the form of not fully cured preforms for compression moulding	10 p.c.	10 p.c.	20 p.c.	Free	Free	10 p.c.
93903-61	(*d*) Compositions, n.o.p., composed entirely or predominantly of the cellulosic materials of sub-heading (*a*) or of the collodions of sub-heading (*b*) of this heading	10 p.c.	10 p.c.	20 p.c.	10 p.c. 15 p.c.	10 p.c. 17½ p.c.	20 p.c. 17½ p.c.
93903-71	(*e*) Admixed with other materials to form glues or adhesives packaged or in bulk	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	22 p.c.	25 p.c.
93903-75	(*f*) Foamed and expanded, in logs, sheets, blocks, boards, flakes, granules, powder, shreds, scrap or waste	15 p.c.	15 p.c.	25 p.c.	15 p.c. 15 p.c. Free	20 p.c. 20 p.c. Free	25 p.c. 30 p.c. Free
	(*g*) Plates, sheets, film, sheeting, strip; lay-flat or other tubing, blocks, bars, rods, sticks, non-textile monofilament and other profile shapes imported in lengths, all produced in uniform cross-section:						
93903-81	Other than the following	10 p.c.	10 p.c.	20 p.c.	15 p.c. Free Free Various	15 p.c. Free Free Various	25 p.c. Free 10 p.c. Various

93903-82	Regenerated cellulose.....	10 p.c.	15 p.c.	25 p.c.	15 p.c.	20 p.c.	30 p.c.
93904-1	93904—Hardened proteins (for example, hardened casein and hardened gelatin).....	10 p.c.	10 p.c.	20 p.c.	Free	Free	10 p.c.
93905-1	93905—Natural resins modified by fusion (run gums); artificial resins obtained by esterification of natural resins or of resinic acids (ester gums); chemical derivatives of natural rubber (for example, chlorinated rubber, rubber hydrochloride, oxidised rubber, cyclised rubber).....	10 p.c.	10 p.c.	20 p.c.	Free 12½ p.c. 10 p.c. 15 p.c. 15 p.c. 5 p.c.	Free 12½ p.c. 10 p.c. 15 p.c. 17½ p.c. 5 p.c.	10 p.c. 22½ p.c. 20 p.c. 25 p.c. 27½ p.c. 25 p.c.
	93906—Other high polymers, artificial resins and artificial plastic materials, including alginic acid, its salts and esters; not including other vegetable saps and extracts, pectic substances, pectinates and pectates, agar-agar and other mucilages and thickeners derived from vegetable products, albuminoidal substances, glues, nor linoxyn:						
93906-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
93906-2	Alginic acid salts.....	10 p.c.	10 p.c.	25 p.c.	Free	Free	15 p.c.
93907-1	93907—Articles of materials of the kinds described in headings 93901 to 93906 inclusive, n.o.p.....	15 p.c.	17½ p.c.	30 p.c.	15 p.c. Various	20 p.c. Various	30 p.c. Various

15. That Schedule B to the *Customs Tariff* be amended by striking out items 97016–1, 97026–1, 97046–1 and 97065–1 and the enumerations of goods and the rates of drawback of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of drawback of duty:

Item No.	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
97023–1	Ethyl alcohol undenatured.	When used under the conditions specified in subsection (2) of section 135 of the Excise Act.....	99 p.c. of the additional duty imposed under section 19 of the Customs Tariff.
97026–1	Materials.	When used in the manufacture of containers for packaging the products entitled to entry under heading 93811.....	99 p.c.
97046–1	Materials.	When used in the manufacture of goods entitled to entry under tariff item 84900–1 when such goods are sold to manufacturers to be used as specified in the said item.....	99 p.c.

16. That any enactment founded upon Resolutions 1, 2 and 3 of the foregoing resolutions shall be deemed to have come into force on the 2nd day of June, 1967, and to have applied to all goods mentioned in the said resolutions imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

17. That any enactment founded upon Resolution 4 of the foregoing resolutions shall be deemed to have come into force on the 1st day of December, 1967, and to have applied to all goods mentioned in the said resolution imported or taken out of warehouse for consumption on or after that day and before the 1st day of January, 1968, and to have applied to goods previously imported for which no entry for consumption was made before the 1st day of December, 1967.

18. That any enactment founded upon Resolutions 5, 6, 7, 8, 9 and 10 of the foregoing resolutions shall be deemed to have come into force on the 1st day of January, 1968, and to have applied to all goods mentioned in the said resolutions imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

19. That any enactment founded upon Resolution 8 of the foregoing resolutions that provides for a rate of duty set opposite a tariff item in Schedule A to the *Customs Tariff* to apply on or after a date specified in the enumeration of goods of that item may be amended by order of the Governor in Council prescribing another date, being a date not earlier than the first-mentioned date, as the date on or after which the said rate is to apply.

20. That any enactment founded upon Resolutions 11, 12, 13, 14 and 15 of the foregoing resolutions shall come into force on a day to be fixed by proclamation, and shall apply to all goods mentioned in the said resolutions imported or taken out of warehouse for consumption on or after that day and shall apply to goods previously imported for which no entry for consumption was made before that day.

ANTI-DUMPING DUTIES RESOLUTION

The Minister of Finance—In Committee of Ways and Means.

That it is expedient to introduce a measure to provide for the imposition of anti-dumping duty including provisional duty and the establishment of an anti-dumping tribunal consistent with Canada's obligations under the "Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade" signed on behalf of Canada in June, 1967, and to provide further for certain related or consequential amendments to the Customs Act, the Customs Tariff and the Tariff Board Act.

INCOME TAX ACT

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

That it is expedient to introduce a measure to amend the Income Tax Act to provide among other things:

1. That for 1969 and subsequent taxation years, in addition to any other tax imposed under the said Act, a social development tax be payable by an individual liable to tax under Part I of the said Act equal to the lesser of

(*a*) 2% of his taxable income, or

(*b*) $120.

2. That on and after October 23, 1968

(*a*) the deductions and exemptions described in subsections (2) and (3) of section 112 of the said Act for the purposes of determining the aggregate taxable value of gifts made in a taxation year be replaced by new deductions and exemptions, and in particular that a taxpayer be entitled to deduct

(i) the value of any gift to his spouse other than a gift by way of a settlement under which any person other than his spouse has, during the lifetime of the spouse a right of any kind whatsoever to receive, use or enjoy any or all of the property so settled or a beneficial interest in any of the income from such property, and

(ii) the value of the aggregate of gifts (other than gifts made by settling property in a trust) made in the year by him to any one individual other than his spouse, to the extent that such value does not exceed $2,000,

(*b*) the exemption described in paragraph (*ba*) of subsection (4) of section 112 of the said Act be restricted so that it no longer applies to transfers to a child if the spouse of the taxpayer has at any time taken advantage of the provision,

(*c*) gifts made by a taxpayer shall include

(i) transfers to a person other than the taxpayer's spouse pursuant to an agreement made in consideration of marriage,

(ii) the granting of powers of appointment, and the exercising or renouncing of a general power of appointment,

(iii) the act of permitting a debt owed to a taxpayer by a person with whom the taxpayer was not dealing at arm's length, to become unenforceable by virtue of the operation of any law limiting the time for bringing action thereon, and

(iv) gifts made by a corporation at the direction of, or with the concurrence of, the taxpayer,

(*d*) where a person has made a gift that was exempted from tax by virtue of paragraph (*b*) of subsection (4) of section 112 of the said Act and such gift takes effect prior to the death of that person or the

donee obtains the benefit thereof prior to the death of that person, he shall be deemed to have made a gift equal to the full value of the property on the day such gift takes effect or the donee obtains the benefit thereof, and

(*e*) the rates of tax on gifts provided in section 113 of the said Act be repealed and that the tax payable by an individual upon the aggregate taxable value of gifts made by him in a taxation year shall be an amount equal to the excess of

(i) the amount determined by applying the rate schedule set out below to his cumulative gift sum for the taxation year

over

(ii) the amount determined by applying the said rate schedule to his cumulative gift sum for the immediately preceding taxation year

and for the purpose of this resolution an individual's cumulative gift sum

(iii) for the 1968 taxation year, shall be the aggregate taxable value of gifts made by him after October 22, 1968 and before January 1, 1969, and

(iv) for each taxation year after 1968, shall be the amount obtained when the aggregate taxable value of gifts made by him in the year is added to his cumulative gift sum for the immediately preceding taxation year,

and the rate schedule to be applied to an individual's cumulative gift sum shall be

(v) 12% where the sum does not exceed $15,000,

(vi) $1,800 plus 15% of the amount by which the sum exceeds $15,000 if the sum exceeds $15,000 and does not exceed $30,000,

(vii) $4,050 plus 18% of the amount by which the sum exceeds $30,000 if the sum exceeds $30,000 and does not exceed $45,000,

(viii) $6,750 plus 22% of the amount by which the sum exceeds $45,000 if the sum exceeds $45,000 and does not exceed $60,000,

(ix) $10,050 plus 26% of the amount by which the sum exceeds $60,000 if the sum exceeds $60,000 and does not exceed $80,000,

(x) $15,250 plus 30% of the amount by which the sum exceeds $80,000 if the sum exceeds $80,000 and does not exceed $100,000,

(xi) $21,250 plus 36% of the amount by which the sum exceeds $100,000 if the sum exceeds $100,000 and does not exceed $125,000,

(xii) $30,250 plus 45% of the amount by which the sum exceeds $125,000 if the sum exceeds $125,000 and does not exceed $150,000,

(xiii) $41,500 plus 60% of the amount by which the sum exceeds $150,000 if the sum exceeds $150,000 and does not exceed $200,000,

(xiv) $71,500 plus 75% of the amount by which the sum exceeds $200,000 if the sum exceeds $200,000,

and that a taxpayer's liability for gift tax for the taxation year 1968 shall be the aggregate of

(*f*) an amount in respect of gifts made in the period January 1 to October 22, inclusive, computed in accordance with the present provisions of Part IV of the said Act as though the said period were a complete taxation year, and

(*g*) an amount in respect of gifts made in the period October 23 to December 31, inclusive, computed in accordance with the provisions of Part IV of the said Act, as amended to give effect to this resolution, as though the said period were a complete taxation year except that the value of gifts made to an individual in the period January 1 to October 22, inclusive, shall reduce the exemption described in clause (ii) of subparagraph (*a*) of this resolution with respect to that individual,

and that, for the purposes of Part IV of the said Act, rules similar to certain of the valuation rules now set out in the Estate Tax Act be provided for valuation of property that is the subject-matter of a gift.

3. That for 1969 and subsequent taxation years amounts paid for

(*a*) an oxygen tent and other equipment necessary to administer oxygen, and

(*b*) an artificial kidney machine,

as prescribed by a medical practitioner shall be classified as medical expenses for purposes of paragraph (*c*) of subsection (1) of section 27 of the said Act.

4. That for 1969 and subsequent taxation years, a taxpayer in computing taxable income may not include in medical expenses any expense paid by or on behalf of the taxpayer or his legal representative for which the taxpayer or such representative has been reimbursed or is entitled to be reimbursed pursuant to a medical care insurance plan established pursuant to an act of the legislature of a province that satisfies the criteria set forth in subsection (1) of section 4 of the Medical Care Act.

5. That for 1969 and subsequent taxation years, the deduction in computing taxable income of $300, or of an amount not exceeding $300, now based on a child who is qualified for family allowance be based on a child who has not attained the age of sixteen years before the end of the year and the deduction of $550, or of an amount not exceeding $550, now based on a child not so qualified be based on a child who has attained the age of sixteen years before the end of the year.

6. That with respect to 1969 and subsequent taxation years there shall be included in computing the income of a taxpayer resident in Canada an amount paid or credited to him during the year as taxable proceeds of a life insurance policy and that the said taxable proceeds shall be the amount by which the amount paid or credited to the taxpayer on surrender of a policy, other than on death of the person insured, or received on the sale of a policy,

or deemed to have been received on the giving of a policy, exceeds the cost of the policy to the taxpayer, and the cost of the policy to the taxpayer shall be deemed to be

(*a*) in the case of a policy written after October 2, 1968,

(i) premiums paid on the policy,

minus

(ii) dividends paid or credited on the policy,

(*b*) in the case of a policy written before October 23, 1968, the aggregate of

(i) the greater of the cash surrender value of the policy at the first anniversary date of the policy after October 22, 1968 or the total premiums paid on the policy prior to the said first anniversary date less dividends paid or credited on the policy up to and including that date, and

(ii) premiums paid on the policy on and after the said first anniversary date,

minus

(iii) dividends paid or credited on the policy after the said first anniversary date, or

(*c*) in the case of an existing policy acquired by the taxpayer after October 22, 1968, whether written before or after that date, the aggregate of

(i) the price paid by him or on his behalf to acquire the policy, and

(ii) premiums paid on the policy after such acquisition,

minus

(iii) dividends paid or credited on the policy after such acquisition.

7. That with effect January 1, 1969, a life insurance corporation (including a mutual corporation or a fraternal benefit society) shall be required to pay an investment income tax at the rate of 15% upon its taxable investment income, and that in determining the taxable investment income of a life insurance corporation there may be deducted from the portion of its investment income that is attributable to its life insurance business in Canada, an amount equal to the aggregate of

(*a*) the expenses, not including commissions to salesmen, incurred by it in earning investment income that is attributable to its life insurance business in Canada,

(*b*) the portion of its investment income that is attributable to its non-participating life insurance business in Canada on October 22, 1968, calculated by reference to non-participating policies in force on that day,

(*c*) the aggregate of

(i) the portion of its taxable income for the year, as determined for purposes of Part I of the said Act, that is attributable to its participating life insurance business in Canada, and

(ii) the excess, if any, over the amount described in subparagraph (*b*) of the portion of its taxable income for the year, as determined for purposes of Part I of the said Act, that is attributable to its non-participating life insurance business in Canada,

(*d*) amounts credited by it during the year to funds held by it in trust under a registered pension plan or a registered retirement savings plan,

(*e*) that portion of dividends received by it from taxable Canadian corporations that is attributable to its life insurance business in Canada, and

(*f*) the aggregate of the amounts paid or credited by it during the year as taxable proceeds of a life insurance policy or annuity contract

and that the portion of the investment income of a life insurance corporation that is attributable to its life insurance business in Canada shall be the income from its Canadian investment fund, and that a corporation's Canadian investment fund shall

(*g*) in the case of a corporation resident in Canada, be the greater of that proportion of its total assets that the amount of its liabilities to Canadian policyholders, as determined by regulation, is of its total liabilities, as determined by regulation, or the assets which are, pursuant to a law of Canada or of a province, required to be kept in Canada, and

(*h*) in the case of a corporation that is not resident in Canada, be the aggregate of

(i) the value of its assets that are, at January 1, 1969, required by a law of Canada or of a province to be kept in Canada and

(ii) the funds derived from its Canadian life insurance business after January 1, 1969,

minus

(iii) amounts in respect of which the corporation has elected to pay the tax described in paragraph 11 of this resolution

but in no case shall the fund be less than the value of the assets which are, pursuant to a law of Canada or of a province, required to be kept in Canada.

8. That with effect January 1, 1969, the taxable income of a life insurance corporation (including a mutual corporation or fraternal benefit society) shall be the greater of its profit from carrying on business in Canada, less such deductions as are allowed under the said Act before the amendments proposed in this resolution in computing taxable income and, in addition, the following deductions,

(*a*) such amounts as may be allowed by regulation on account of a reserve in respect of life insurance policies,

(*b*) the amount payable by it for the year as an investment income tax, and

(c) the amount paid or credited in the year as policy dividends attributable to its life insurance business in Canada not exceeding the amount that would, but for this subparagraph, be the portion of its profit for the year that is attributable to its participating life insurance business in Canada

or the taxable income thereof computed in accordance with section 30 of the said Act.

9. That a life insurance corporation (including a mutual corporation or a fraternal benefit society) be required to pay income tax and investment income tax in monthly instalments as required by section 50 of the said Act except that for its 1969 taxation year, the amount of tax shall be as estimated by it for the taxation year

(a) on its estimated taxable income, or taxable investment income, as the case may be, for the year, or

(b) on its taxable income, or taxable investment income, as the case may be, for its 1968 taxation year computed as though the amendments proposed in this resolution were in effect for that year.

10. That with effect January 1, 1969, in computing the income of a non-resident insurance corporation from carrying on business other than life insurance business in Canada, there may be deducted such part of its head office expenses as is reasonable in the circumstances, and there shall be included the portion of the investment income of the corporation that is attributable to its insurance business in Canada other than life insurance, determined in the manner described in paragraph 7 of this resolution with respect to non-resident life insurance corporations.

11. That with effect January 1, 1969, the exemption of insurance corporations from the additional tax of 15% imposed by Part IIIA of the said Act be repealed, but that, in lieu of applying to the amount specified in that Part with respect to other corporations, the tax be levied on the amount in respect of which the corporation has elected to reduce its Canadian investment fund.

12. That any amount received after October 22, 1968, by an employer from a trustee under a registered supplementary unemployment benefit plan to which the employer has made payments, resulting from an amendment, modification or termination of the plan, shall be included in the income of the employer.

13. That for 1969 and subsequent taxation years, an employer who, at the end of his taxation year, has a debt that

(a) is due to an employee in respect of salary, wages, bonuses or other remuneration and was deductible in computing the employer's income, and

(b) has been outstanding for one year following the end of the taxation year in which it accrued,

shall include in income for the second year after it accrued an amount equal to the debt unless the employer and the employee sign and file an agreement in which they elect to have their taxes computed as though the debt had been

paid by the employer and replaced by a loan from the employee to the employer on the first day of that second year.

14. That with respect to dispositions after October 22, 1968, subsections (5*b*) and (5*c*) of section 83A of the said Act, which presently provide for including in income of a taxpayer the proceeds received from the disposition of certain gas and oil rights, provide that the proceeds receivable from such dispositions be included in income in the taxation year in which the disposition occurred, and that section 85B of the said Act be extended to entitle a taxpayer carrying on business in Canada to claim a reserve in respect of proceeds receivable from such dispositions after October 22, 1968 that have not been received at the end of his taxation year.

15. That for 1969 and subsequent taxation years, the exemption from income tax provided by paragraph (*c*) of subsection (1) of section 62 of the said Act for a federal, provincial or municipal corporation, commission, association or wholly-owned subsidiary thereto shall not apply where a person other than a Canadian municipality or Her Majesty in right of Canada or a province has a right or option to acquire shares or capital of the corporation, commission, association or wholly-owned subsidiary.

16. That for taxation years commencing after November, 1969, a corporation shall during the fifteen-months period ending three months after the close of each taxation year, pay to the Receiver General of Canada

(*a*) on or before the last day of each of the first twelve months in that period, an amount equal to $\frac{1}{12}$ of the tax as estimated by it at the rate for the taxation year

(i) on its estimated taxable income for the year, or

(ii) on its taxable income for the immediately preceding year,

(*b*) on or before the last day in the period, the remainder of the tax payable on its taxable income for the year at the rate for the year,

and that for the taxation year commencing in the period after November, 1968, and before December, 1969, a corporation shall during the thirteen-months period ending three months after the close of its taxation year pay to the Receiver General of Canada

(*c*) on or before the last day of each of the first ten months in that period, an amount equal to $\frac{1}{10}$ of the tax as estimated by it at the rate for the taxation year

(i) on its estimated taxable income for the year, or

(ii) on its taxable income for the immediately preceding year, and

(*d*) on or before the last day in the period, the remainder of the tax payable for the year at the rate for the year.

17. That no deduction on account of foreign taxes shall be allowed in respect of that proportion of a dividend received by a corporation after October 22, 1968, that is deductible under subsection (10) of section 28 of the said Act from the income of the receiving corporation in computing its taxable income.

18. That the 15% non-resident withholding tax apply in respect of any amount paid or credited after October 22, 1968, by a person resident in Canada to a non-resident person

(*a*) for the use in Canada of or the right to use in Canada any patent, trade mark, design or model, plan, secret formula or process,

(*b*) for the use in Canada of or the right to use in Canada industrial, commercial or scientific equipment, or

(*c*) for information concerning industrial, commercial or scientific experience.

19. That for 1969 and subsequent taxation years, the rate of 3% and the fraction of $\frac{1}{6}$ which relate to the computation of the reserve deductible in computing the income of a taxpayer whose business includes the lending of money on the security of a mortgage, hypothec or agreement of sale of real property, as provided by section 85G of the said Act, be changed to a rate of $1\frac{1}{2}\%$ and a fraction of $\frac{1}{3}$.

ESTATE TAX ACT

The Minister of Finance—In Committee of Ways and Means

That it is expedient to introduce a measure to amend the Estate Tax Act to provide among other things:

That with respect to property passing on the death of a person whose death occurs after October 22, 1968.

(*a*) the deductions that may be made from the aggregate net value of such property for the purpose of computing the aggregate taxable value of such property pursuant to paragraphs (*a*), (*b*) and (*c*) of subsection (1) of section 7 of the said Act be replaced by the following deductions:

(i) an amount equal to the value of any property included in computing such aggregate net value that passes absolutely and indefeasibly to his spouse,

(ii) an amount equal to the value of any property included in computing such aggregate net value that passes to a trustee subject to a trust under which only the spouse of the person has, during the spouse's lifetime, a right of any kind whatsoever to receive, use or enjoy any of the property so settled or a beneficial interest in any of the income from such property,

(iii) where property included in computing such aggregate net value passes to a trustee subject to a trust under which only the spouse of the person has, during the spouse's lifetime, a right of any kind whatsoever to receive any of the property so settled, and the spouse is to receive payments in ascertained amounts or in amounts limited by an ascertained maximum amount throughout the spouse's lifetime, which amounts are to be paid to the spouse out of the income from such property to the extent of such income, and in priority to the claim of any other person entitled to any interest whatsoever in the income from such property, the lesser of

(A) an amount equal to the value of the property that passes to the trustee subject to the trust, or

(B) the amount determined by regulation to be the capital sum necessary to produce income sufficient to make the payments to the spouse,

(iv) for each child of that person, an amount equal to the lesser of the value of the property included in computing such aggregate net value that passes to the child or $10,000,

(v) for each infirm child of that person who, at the date of death, was wholly dependent upon the person or the spouse of the person, an additional amount equal to the least of

(A) the product obtained when $1,000 is multiplied by the number of years in the period commencing with the date of death and ending with the date on which the child will, if ever, become 71 years of age,

(B) the amount by which the value of the property included in computing such aggregate net value that passes to the child exceeds $10,000, or

(C) $30,000.

(vi) for each child of that person, other than a child described in clause (v), an additional amount equal to the lesser of

(A) the amount remaining, if any, when the excess of the average income of the child for the three calendar years preceding the year of death over $5,000 is deducted from the product obtained when $1,000 is multiplied by the number of years in the period commencing with the date of death and ending with the date on which the child will, if ever, become 26 years of age, or

(B) the amount by which the value of the property included in computing such aggregate net value that passes to the child exceeds $10,000,

(*b*) there shall be included in computing the aggregate net value of property passing on the death of such person

(i) the amount of gift tax paid by the person in respect of property disposed of by him by way of gift after October 22, 1968, which property is included in computing the aggregate net value of property passing on his death,

(ii) an amount equal to the value at the date of death of such person of property held at such time by a trustee subject to a trust described in clause (ii) of subparagraph (*a*) of this paragraph, under which only such person had any beneficial interest during that person's lifetime,

(iii) an amount equal to the value at the date of death of such person of property held at such time by a trustee subject to a trust if, at the time property was settled in the trust, the settlement was exempt from gift tax by virtue of a provision of the Income Tax Act based upon clause (i) of subparagraph (*a*) of paragraph 2 of a resolution with respect to the Income Tax Act tabled in the House of Commons on October 22, 1968, and

(iv) an amount equal to the lesser of

(A) the value at the time of death of such person of property held at such time by a trustee subject to a trust described in clause (iii) of subparagraph (*a*) of this paragraph, under which such person was the spouse referred to in that clause, or

(B) the amount that was, by virtue of that clause, deducted in computing the aggregate taxable value of property passing on the death of the former spouse of that person,

(*c*) section 8 and subsections (4) and (5) of section 9 of the said Act be repealed and that the tax payable upon the aggregate taxable value of the property passing on the death of a person shall be an amount equal to the excess of

(i) the amount determined by applying the rate schedule set out below to his estate sum

over

(ii) the amount determined by applying the rate schedule set out below to his gift sum

and for the purposes of this resolution a deceased person's estate sum shall be the aggregate of

(iii) the aggregate taxable value of property passing on his death,

(iv) the amount of his cumulative gift sum for the year in which he died, less the amount included in the computation thereof in respect of property included in the aggregate net value of property passing on his death, and

(v) the amount of gift tax that would be imposed in respect of a cumulative gift sum equal in amount to the net amount referred to in clause (iv),

and a deceased person's gift sum shall be the aggregate of $20,000 plus the amounts referred to in clause (iv) and (v), and the rate schedule to be applied to a deceased person's estate sum or gift sum, as the case may be, shall be

(vi) nil where the sum does not exceed $20,000,

(vii) 15% of the amount by which the sum exceeds $20,000 if the sum exceeds $20,000 and does not exceed $40,000,

(viii) $3,000 plus 18% of the amount by which the sum exceeds $40,000 if the sum exceeds $40,000 and does not exceed $60,000,

(ix) $6,600 plus 21% of the amount by which the sum exceeds $60,000 if the sum exceeds $60,000 and does not exceed $80,000,

(x) $10,800 plus 24% of the amount by which the sum exceeds $80,000 if the sum exceeds $80,000 and does not exceed $100,000,

(xi) $15,600 plus 27% of the amount by which the sum exceeds $100,000 if the sum exceeds $100,000 and does not exceed $130,000,

(xii) $23,700 plus 30% of the amount by which the sum exceeds $130,000 if the sum exceeds $130,000 and does not exceed $160,000,

(xiii) $32,700 plus 35% of the amount by which the sum exceeds $160,000 if the sum exceeds $160,000 and does not exceed $200,000,

(xiv) $46,700 plus 40% of the amount by which the sum exceeds $200,000 if the sum exceeds $200,000 and does not exceed $250,000,

(xv) $66,700 plus 45% of the amount by which the sum exceeds $250,000 if the sum exceeds $250,000 and does not exceed $300,000, and

(xvi) $89,200 plus 50% of the amount by which the sum exceeds $300,000 if the sum exceeds $300,000.

HOUSE OF COMMONS

Wednesday, October 23, 1968

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PREMIER AND CABINET OF PRINCE EDWARD ISLAND

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I should like to draw to your attention and to the attention of the members of this house the presence in your gallery of a very distinguished group of parliamentarians from Prince Edward Island. Hon. Alex. Campbell, premier, and the members of his cabinet are here today.

Some hon. Members: Hear, hear.

Mr. Trudeau: When we see a delegation from that province come to meet us in Ottawa, Mr. Speaker, we are always reminded of the great beginnings of this country and the importance of Charlottetown in the establishment between all parts of Canada of greater bounds of friendship and loyalty. We are always pleased when delegations from that province come to discuss other bonds that might make the country even more united.

[*Translation*]

NOTICE RESPECTING PARKING AREA IN ENGLISH ONLY

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I rise on a point of order. We received a letter last night, the heading of which was given in English only, advising us that on Saturday, October 26, the parking lot adjacent to the building will be paved. Mention is made of gates and we are asked to leave our keys with the constable. It is signed D. V. Currie, sergeant-at-arms.

I wish to point out to the house that we did not understand this notice at all which, in fact, was written in English only. As this is often the case, we would appreciate, in order to comply with the requests, receiving bilingual instructions.

Mr. Speaker: Order. I have taken note of the representations of the hon. member and I will see to it that the situation about which he is complaining is remedied.

[*English*]

FISHERIES

REQUEST FOR STATEMENT ON MARKETING POLICY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Crouse: I should like to ask the Minister of Industry, Trade and Commerce when we might expect a statement from him on the marketing of fish, as promised last week to the hon. member for Gander-Twillingate (Mr. Lundrigan).

Mr. Speaker: Order, please. I wonder whether that question should be asked at this time. We have just reached the written question stage of proceedings.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRIMARY LANGUAGE OF SENIOR CIVIL SERVANTS

Question No. 53—**Mr. Fortin:**

Of senior civil servants earning $17,000 and more, what is the number of Canadians (a) whose mother tongue is French (b) whose mother tongue is English (c) other languages (d) how many bilingual for each of the following corporations: Bank of Canada, Industrial Development Bank, Atomic Energy of Canada Limited, Eldorado Mining and Refining Corporation, Polymer Corporation, Canadian Overseas Telecommunications Corporation, Central Mortgage and Housing Corporation?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council):

	(a)	(b)	(c)	(d)
Bank of Canada	3	27	–	8
Industrial Development Bank	2	20	–	3
Atomic Energy of Canada Limited	–	117	3	14
Eldorado Nuclear Limited	–	8	1	–
Canadian Overseas Telecommunications Corporation	–	5	1	2
Central Mortgage and Housing Corporation	9	48	3	23

Questions

Polymer Corporation does not have any civil servants in its employ. Also, the corporation would not wish to furnish the information requested as disclosure of the number of employees earning $17,000 and more would not be in the best interests of the company.

DELIVERIES OF AIRCRAFT TO AIR CANADA

Question No. 74—**Mr. Fortin:**

1. Is there a delay in the delivery of aircraft to Air Canada and, if so, what is the cause?

2. How much did Air Canada lose in 1967 because of the delay in delivery of aircraft and are the suppliers responsible for the loss?

3. How much does Air Canada expect to borrow in 1968, and will it be borrowed (a) from the C.N.R. (b) from the general public, or (c) from the government?

4. Is Air Canada still using JP-4 fuel and, if so, is this fuel as safe as kerosene?

Hon. Paul Hellyer (Minister of Transport): The management of Air Canada advises as follows: 1. In 1968 aircraft deliveries have been in accordance with dates agreed upon with the manufacturer.

2. There was delay in delivery of certain equipment in 1967. The effect of this delay on the year-end financial results is difficult to assess precisely in view of the fact that the existing fleet was utilized to a greater degree in the interim, higher load factors were incurred, and the travelling public had to use less heavily booked flights at less desirable times of day. In view of the complexity of the contracts involved, the company does not consider it appropriate to disclose its actual position in the matter of the suppliers' responsibility at this time.

3. The amount, and the manner and method of any borrowings for 1968 is a matter under active consideration at this time between the government and the corporation.

4. Air Canada uses both JP-4 and JP-1 (kerosene) depending upon circumstances, and they are regarded as equally safe.

CROWN CORPORATION EMPLOYEES, TORONTO AND MONTREAL

Question No. 97—**Mr. Fortin:**

1. How many employees do Central Mortgage and Housing Corporation and the Farm Credit Corporation have (a) in Quebec (b) in Ontario?

2. Is there any difference in the number of such employees in Quebec and Ontario and, if so, for what reason?

3. How many employees does C.M.H.C. have in (a) Toronto (b) Montreal?

4. How many employees does the Farm Credit Corporation have in (a) Toronto (b) Montreal?

[Mr. Forest.]

5. How many employees does the Defence Research Board have in (a) Toronto (b) Montreal?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Agriculture and National Defence and the Central Mortgage and Housing Corporation as follows: 1. Central Mortgage and Housing Corporation: (a) 562; (b) 1101. Farm Credit Corporation: (a) 120; (b) 220.

2. Central Mortgage and Housing Corporation: The greater number of employees located in Ontario is due to the corporation's head office being situated in Ottawa, Ontario. The staff strength at head office is 644. Farm Credit Corporation: The greater number of employees located in Ontario is due to the corporation's head office being situated in Ottawa, Ontario. The staff strength at head office is 104.

3. (a) 146; (b) 319.

4. (a) 57 (provincial branch office); (b) Nil (provincial branch office is located at Ste-Foy, Que.).

5. (a) 133; (b) Nil.

FRED AGREEMENT, NEW BRUNSWICK AND QUEBEC

Question No. 101 — Supplementary — **Mr. Coates:**

1. What was the total amount of the federal government commitment under the FRED Agreement with the Province of New Brunswick and what was the financial formula for the undertaking of projects through this agreement?

2. How many projects have been undertaken to date in New Brunswick and what is the estimated cost to the federal government and the estimated cost to the Province of New Brunswick?

3. What was the total amount of the federal commitment under the FRED Agreement with the Province of Quebec and what was the financial formula for the undertaking of projects through this agreement?

4. How many projects have been undertaken to date in Quebec and what is the estimated cost to the federal government and the estimated cost to the Province of Quebec?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Because of a typographical error occurring either in telex or typewriter transmission the words "Twenty-three" appeared in part 2 of the answer given on the 7th day of October on page 851 of English *Hansard* and page 851 of French *Hansard*. The correct answer to the question is: 1. $77,494,000. The financial formula varies with

each program within the agreements. There are cost shared programs, programs fully financed by the province and programs fully financed by Canada.

2. Thirty-three projects with estimated cost to the federal government $11,645,000, to the provincial government $13,536,000.

3. $212,920,000. The financial formula varies with each program within the agreement. There are cost shared programs, programs fully financed by the province and programs fully financed by Canada.

4. Four projects with estimated cost to the federal government $1,026,525, to the provincial government $342,175.

Questions

EMPLOYEES OF CROWN CORPORATIONS

Question No. 120—**Mr. Fortin:**

1. What was the number of employees for each of the Proprietary Crown Corporations in 1966 and 1967?

2. How much was paid out in salaries and wages for each of the Proprietary Crown Corporations for each of the years 1966 and 1967?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1 and 2. The number of employees for each of the proprietary corporations, and the payroll for each, as at the end of December 1966 and 1967, are shown in the attached table.

Proprietary Corporations	1966 Number of Employees*	1966 Payroll $	1967 Number of Employees**	1967 Payroll $
Air Canada	13,718 (average)	99,574,000	15,823 (average)	124,666,000
Canada Deposit Insurance Corporation	Nil	Nil	3	9,000
Canadian Broadcasting Corporation	9,138	61,596,670	9,060	66,874,135
Canadian Overseas Telecommunication Corporation	685	4,753,491	705	5,732,612
Cape Breton Development Corporation	Nil	Nil	2	15,569
Canadian National Railways	85,538 (Canadian Lines)	497,849,970 (Compensation—Canadian Lines)	86,200 (Canadian Lines)	550,049,038 (Compensation—Canadian Lines)
Central Mortgage and Housing Corporation	2,080	12,576,463	2,165	13,841,147
Eldorado Aviation Ltd.	32	273,110	32	283,392
Eldorado Nuclear Limited	795	6,071,078	923	7,255,749
Export Credits Insurance Corporation	75	557,000	81	612,000
Farm Credit Corporation	591	3,979,036	627	4,398,336
Northern Transportation Company Limited	540	2,183,912	490	2,032,130
Polymer Corporation	3,911	29,578,000	3,976	32,464,000
Seaway International Bridge Corporation	20	118,622	20	123,706
The St. Lawrence Seaway Authority	1,724	12,358,668	1,749	13,510,724

*Number of employees as at end of December 1966.
**Number of employees as at end of December 1967.

Questions

FEDERAL EXPENDITURES IN NOVA SCOTIA

Question No. 143—**Mr. Comeau:**

1. What amounts are earmarked, under regional development and other programs, to be expended in the Province of Nova Scotia in the calendar year 1968?

2. What are the total amounts to be expended in aid of the fishing industry in southwestern Nova Scotia in the calendar year 1968?

3. What is the amount to be expended in the 1968 calendar year on improvements to the ferry service between Digby, Nova Scotia and Saint John, New Brunswick?

4. What are the total contemplated expenditures for wharves and breakwaters in the 1968 calendar year in southwestern Nova Scotia?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Fisheries, Forestry and Rural Development, Public Works, and Transport as follows: 1. Department of Fisheries: Shared cost programs, $231,750; Technical assistance, $50,000; Other, $196,500; Total, $478,250. Department of Forestry and Rural Development: (i) $25,097,546; (ii) Cape Breton Development Corporation, $31,430,000. Department of Transport: Regional development programs, Nil; Other programs, $17,433,-041.

2. $424,500.

3. $100,000.

4. Department of Public Works, $848,000; Department of Transport, $7,807.

DEPARTMENTAL BILINGUALISM ADVISERS, OTTAWA

Question No. 146—**Mr. MacLean:**

1. Do positions exist in the Public Service in Ottawa for departmental advisers on bilingualism and, if so, how many?

2. How are these positions allocated among the various departments of government?

3. What is the salary range of these positions?

4. How many of these positions are filled at the present time?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Public Service Commission and the Treasury Board as follows: 1. Yes. There are 17 positions of departmental advisers on bilingualism at present.

2. All departments of government have been authorized to establish such positions and 17 have now done so.

3. The salary ranges for positions of this kind will vary depending on the size of the department, the responsibilities involved, and the qualifications of the individual incumbent. The position of adviser on bilingualism is generally being filled at the AS 6 level which has a salary range from $12,327 to $14,007.

4. All 17 positions are filled at present.

[Mr. Forest.]

CANADIAN DELEGATION TO UNESCO

Question No. 213—**Mr. Schreyer:**

1. What was the size of the Canadian Delegation to the United Nations Economic and Social Council in 1965 and 1967?

2. Who were members of the Canadian Delegation to ECOSOC in each of these two years?

3. What was the total cost to the Government of Canada of maintaining its Delegation to ECOSOC in each of these two years?

4. What was the cost for maintaining such Canadian delegates to ECOSOC who were not members of the Canadian Civil Service in each of these two years?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. 39th Session, June 30-August 3, 1965: 11; 40th Session, February 23-March 4, 1966: 6; 42nd Session, May 8 to June 2, 1967: 7; 43rd Session, July 11 to August 5, 1967: 8.

2. 39th Session, June 30-August 3, 1965: Representative: Saul Rae, Permanent representative to the European office of the UN. Alternate Representatives: Marvin Gelber, M.P. Mr. Jean Côté, Counsellor, office of the High Commission for Canada, London. Advisers: L. Houzer, First Secretary, Permanent Mission, Geneva. J. A. Beesley, First Secretary, Permanent Mission, Geneva. C. J. Marshall, First Secretary, Disarmament Delegation, Geneva. E. D. Wilgress, Economic Division, Department of External Affairs. G. Grondin, Second Secretary, Permanent Mission, New York. R. MacLaren, Second Secretary, Permanent Mission, New York. Miss G. Sellers, United Nations Division, Department of External Affairs. Miss D. Fawlyshyn, Department of Finance.

40th Session—February 23-March 4, 1966: Representative: Paul Tremblay, Canadian Ambassador to the United Nations. Alternate Representative: B. I. Rankin, Canadian Ambassador to Venezuela. J. O. Parry, Deputy Head, United Nations Division, Department of External Affairs. Advisers: R. W. MacLaren, Second Secretary, Permanent Mission, N.Y. G. S. Grondin, Second Secretary, Permanent Mission, N.Y. Miss M. C. Fletcher, Third Secretary, Permanent Mission, N.Y.

42nd Session—May 8 to June 2, 1967: Representative: The Honourable Rene Tremblay, P.C., M.A. B. I. Rankin, Canadian Ambassador to Venezuela. Alternate Representatives: J. O. Parry, Deputy Head, United Nations Division, Department of External Affairs. R. M. Middleton, United Nations Division, Department of External Affairs. Advisers: G. S. Grondin, First Secretary, Permanent Mission, N.Y. R. W. MacLaren, First Secretary, Permanent Mission, N.Y. Miss M. C. Fletcher, Third Secretary, Permanent Mission, N.Y.

43rd Session—July 11 to August 5, 1967: Representative: Marvin Gelber, M.P. Alternate Representatives: J.-L. Delisle, Permanent Representative Designate of Canada to the Office of the United Nations in Geneva. J. O. Parry, Deputy Head, United Nations Division, Department of External Affairs. Advisers: L. Houzer, Counsellor, Permanent Mission, Geneva. R. M. Middleton, United Nations Division, Department of External Affairs. R. McKinnon, First Secretary, Permanent Mission, Geneva. D. Wilson, Department of Finance. L. Y. Fortin, United Nations Division, Department of External Affairs.

3. 1965-66: $22,568.00; 1967-68: $21,590.00.

4. 1965-66: $2,060.00; 1967-68: $3,717.62.

*SUBSIDIES ON WOODEN SHIP CONSTRUCTION

Question No. 215—**Mr. Comeau:**

1. Has the government considered the problem of unemployment in Canadian shipbuilding yards created by withdrawal of the subsidies on wooden ships?

2. Are new policies to assist such yards being prepared?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, the answer to starred question 215 is in two parts and is as follows.

1. Subsidies for the construction of wooden fishing vessels have not been withdrawn; they have been reduced to the level permissible within the funds voted by parliament.

2. I am not aware of new policies being prepared.

CROWN ASSETS SALES OF SLEEPING BAGS

Question No. 222—**Mr. Marshall:**

When the Crown Assets Disposal Corporation sold a number of sleeping bags to Oscar's Surplus Jobbers Limited of Toronto for $59,687; to Oscar's Surplus Jobbers Limited of Toronto for $15,032; to Acme Surplus Sales Limited of Toronto for $15,000 and to Western Surplus Sales Limited of Edmonton for $6,051 (a) how many sleeping bags were involved in each case (b) what was the type or types of sleeping bag involved in the various sales (c) what was the original cost of the sleeping bags to the Canadian Government, per unit, per type, and in total (d) why was it found necessary to dispose of them?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Defence Production and National Defence as follows: Oscar's Surplus Jobbers: (a) 14,044; (b) 8465-21-107-4605—(bags-inner lining). Oscar's Surplus Jobbers: (a) 2,520; (b) No. 4605-bags, inner lining (2350 sold); No. 4611-bags, outer lining (170 sold). Acme Surplus: (a) 3,000; (b) No. 4605 bags, inner lining. Western Surplus: (a) 217; (b) Assortment of Arctic bags and bag covers.

(c) and (d) The sleeping bags referred to were used components of Arctic sleeping bags purchased in 1949-51 and which no longer met the required specification for extended use in cold weather. Before being declared surplus to defence requirements, these bags were subjected to a rigorous inspection, and it was determined that the insulation within the bags had deteriorated and become packed to such an extent to render them unfit for their intended use. The original cost to National Defence of components concerned was bag liners $10.00 each; bag inners $27.00 each; and cases $7.35 each.

LANDING RIGHTS FOR ALITALIA, TORONTO

Question No. 223—**Mr. Badanai:**

Has the government reached a decision with regard to the granting of landing rights to Alitalia at the Toronto International Airport and, if not, for what reason?

Hon. Paul Hellyer (Minister of Transport): A number of requests have been received from European governments, including the government of Italy, for extension of traffic rights to include Toronto on services operated to and from Canada pursuant to bilateral agreements. A study has been undertaken on the implications of opening the Toronto gateway to additional foreign carriers, and this matter is receiving the attention of the government.

EXTERNAL AID AND LOANS

Question No. 228—**Mr. Gauthier:**

1. What amount of aid has Canada given abroad during the years 1965, 1966 and 1967?

2. What was the total amount of the loans granted to other countries during the years 1965, 1966 and 1967 and at what rates of interest were they made?

[*Translation*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): The volume of parliamentary appropriations for aid purposes plus commitments made under Section 21(a) of the Export Credits Insurance Act (ECIA), which are included as part of Canada's official aid contributions, are as follows:

Fiscal year	Amount ($ Can. Millions)
1965/66	208.7
1966/67	309.7
1967/68	316.7

Under the Canadian International Development Agency's Special Development Loan Programme almost all loans are provided interest free, the exceptions being loans bearing interest rates of 3 per cent which are granted to those developing countries not burdened with debt servicing problems. The total parliamentary appropriations for loans under this Programme are as follows:

Fiscal year	Amount ($ Can. Millions)
1965/66	50.0
1966/67	50.0
1967/68	90.0

Loans are also granted by the Export Credits Insurance Corporation, under Section 21(a) of the ECIA, at interest rates of 6 per cent. The total amounts of these loans are as follows:

Fiscal year	Amount ($ Can. Millions)
1965/66	49.3
1966/67	61.8
1967/68	63.6

[*English*]

CLOUD SEEDING

Question No. 233—**Mr. Gauthier:**

1. Has the federal government signed a contract with Weather Engineering for cloud seeding and, if so (a) on what date (b) for what amount (c) what is the duration of the contract?

2. Has the federal government signed a contract with RoyalAir for cloud seeding and, if so (a) on what date (b) for what amount (c) what is the duration of the contract?

3. Since what date has the federal government been interested in cloud seeding?

4. Does cloud seeding by aircraft come under a Federal-Provincial program and, if so, are the provinces responsible for the administration of the program?

5. Has the federal government proceeded with cloud seeding without consulting the provinces?

[Mr. Gauthier.]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Agriculture, Transport and the National Research Council as follows: 1. No.

2. No.

3. 1946.

4. No.

5. No.

PUBLIC WORKS, LOTBINIÈRE CONSTITUENCY

Question No. 239—**Mr. Fortin:**

1. What was the total cost of public works in the federal constituency of Lotbinière for each year since 1962?

2. To what public works were such sums allocated for each fiscal year?

3. In 1968-69, what will be the total allotted for public works in the federal constituency of Lotbinière, and what is the nature of each project and the amount to be allocated?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. Total expenditures since 1962: 1962-63, $184,300; 1963-64, $75,000; 1964-65, $41,700; 1965-66, $39,200; 1966-67, $30,100; 1967-68, $42,800.

2. 1962-63, Construction of Post Office Buildings, $36,000; Repairs and construction of protection works, $103,300; Repairs and improvements to wharves, $45,000. 1963-64, Construction of Post Office Building, $15,000; Repairs and construction of protection works, $30,000; Repairs and improvements to wharves, $30,000. 1964-65, Repairs to Post Office Building, $2,900; Repairs and construction of protection works, $8,800; Repairs and improvements to wharves, $30,000. 1965-66, Repairs and construction of Post Offices, $22,200; Repairs and construction of protection works, $12,200; Repairs to wharves, $4,800. 1966-67, Repairs and construction of Post Offices, $21,400; Repairs and construction of protection works, $3,300; Repairs to wharves, $5,400. 1967-68, Repairs and construction of Post Offices, $24,900; Repairs and construction of protection works, $11,000; Repairs to wharves, $6,900.

3. Total amount allocated for 1968-69: Repairs to Post Office Buildings, $34,500; Federal Building in Victoriaville including site, $100,000; Construction of Post Office Buildings, $160,000; Repairs to wharves, $4,000; Protection works, $3,500; Total $302,000.

Please note that expenditures are related to old Constituency of Lotbinière up to April 1967 and to the new Constituency of Lotbinière after April 1, 1967.

[*English*]

FRENCH LANGUAGE COURSES FOR CIVIL SERVANTS

Question No. 244—**Mr. Coates:**

1. How many individuals in the federal Civil Service have received courses that would assist them in securing a working knowledge of the French language and of that number, how many are presently enrolled in such courses?

2. Of the number presently enrolled in French language courses (a) how many receive the courses while continuing with their employment (b) how many are receiving the courses while on leave of absence (c) how many on leave of absence have been granted leave for more than a period of one month?

3. Of the number enrolled in French language courses while continuing with their employment, how many are granted free time to take such courses and at the present time and for the present fiscal year, what is the number of man-hours lost to the federal Civil Service?

4. Of the number enrolled in French language courses who have obtained a leave of absence while taking the courses, how many are receiving their salary while taking these courses and what will be the estimated cost to the federal Treasury in the present fiscal year?

5. Of the number enrolled in French language courses who have obtained a leave of absence from their employment, how many have moved from Ottawa for such purposes and of those who have moved, how many have also moved their families and was assistance given to those who moved their families by the federal government and, if so, what will be the total cost to the federal Treasury in the present fiscal year?

Hon. Gerard Pelletier (Secretary of State): I have been given the following information by the Public Service Commission: 1. (a) Since January 1, 1964, approximately 9700 public servants have attended French language courses in programs offered by the Public Service Commission. (It is not known how many have attended other courses). (b) On September 23, 1968, 690 public servants were attending French language courses conducted by the Public Service Commission.

2. Of the number enrolled as in 1 (b) above, (a) all receive courses while continuing with their employment; (b) none were on leave of absence; (c) not applicable.

3. Of the number enrolled as in 1 (b) above, All are granted free time to take such courses. In addition to this free time granted, 465 students are devoting up to 20 hours per week of their own time during each course.

In the view of the commission, the training time spent by public servants is a gain rather than a loss to the public service of Canada. The time devoted to training by the 690 public servants now attending French Language courses is 5700 man-hours per day of which 1950 hours will be on their own time. Students will attend classes for periods of 13 to 35 days depending on the level of instruction and the needs of the individual; thus the total man-hours that will be devoted by these public servants to French language training during the present fiscal year will not be known until the close of the year.

4. See 2(b) above.

5. See 2(b) above.

Note: The hon. member in posing questions 4 and 5 may have had in mind the public service bicultural development program in which 20 officials are attending for one year at Laval University and 10 at Toronto and York Universities, to follow varied academic programs. The total of salaries of the 20 officials attending at Laval in the French language will be approximately $325,000 for the period of their secondment in the current fiscal year. All 20 have moved their families to Quebec with assistance given by the federal government which it is estimated will cost $12,000 in the present fiscal year. Exact figures cannot be given until the end of the fiscal year.

*COURT ACTIONS BY RURAL MAIL CONTRACTORS

Question No. 256—**Mr. Hales:**

Have any actions been initiated in the Exchequer Court of Canada by rural mail contractors against the federal government as a result of the postal mail strike and, if so, how many such actions were initiated to date?

Hon. Eric Kierans (Postmaster General): Mr. Speaker, the answer to this question is no.

COST OF COLUMBIA RIVER PROJECTS

Question No. 259—**Mr. Harding:**

1. What has been the total cost of the Columbia River Treaty projects to date?

2. What is the present estimated cost of the projects when completed in 1973?

3. What was the total cost of the completed projects as estimated in the years (a) 1962 (b) 1963 (c) 1964 (d) 1965 (e) 1966 (f) 1967?

Questions

4. Is it the intention of the federal government on completion of the Columbia River Treaty projects in 1973 to (a) make up the difference to British Columbia between the estimated cost and the actual cost, if any exists (b) share the difference, if any, with British Columbia between the estimated and the actual cost (c) have the Province of British Columbia assume full responsibility between the estimated and the actual cost, if any?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Energy, Mines and Resources as follows: 1. Under the Canada-British Columbia agreement of 8 July 1963 the province undertook to finance the Columbia River treaty projects in Canada. Disclosure of information on the current cost of the projects is therefore the responsibility of the province.

2. See 1 above.

3. (a) $345 million; (b) $410.6 million; (c) $410.6 million; (d) to (f) No federal government estimate available.

4. (a) No; (b) No; (c) Yes.

ASSISTANCE TO FRESH WATER FISHING INDUSTRY

Question No. 261—**Mr. Schreyer:**

1. Since 1960, what has been the federal Department of Fisheries' expenditures in the inland freshwater fishing industry of the prairie region for the purpose of (a) conservation (b) production research and development?

2. Has the Fisheries Prices Support Board at any time since its establishment in 1947, purchased any of the products of the inland freshwater fish industry of the prairie region and, if so (a) in what years and to what amount by quantity and value (b) what was the basis of the purchase price, i.e., the proportion to the price computed to fishermen and the proportion related to processing?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. (a) Nil.

(b) 1960-61, $265,110; 1961-62, $317,810; 1962-63, $316,435; 1963-64, $314,540; 1964-65, $382,159; 1965-66, $431,183; 1966-67, $947,539; 1967-68, $1,462,143; 1968-69, (forecast) $1,730,-000.

2. Yes. (a) and (b)

	Quantity	Value $	Basis
1949	3,376,802 lbs.	281,740.43	80% of market price
1953	2,181,085 lbs.	192,757.60	70% of market price
1964	93,745 lbs.	16,405.38	80% of market price

ELK ISLAND NATIONAL PARK

Question No. 278—**Mr. Mazankowski:**

1. What was the total attendance at Elk Island National Park for the years 1965, 1966 and 1967?

2. What was the cost of operating the Park in those years?

3. What form of government promotion is exercised in encouraging use of these facilities, particularly by tourists?

4. Has any consideration been given toward improving and increasing recreational facilities at Elk Island National Park re (a) expansion of the present nine hole golf course to an eighteen hole course (b) improved swimming facilities (c) the establishment of a Cultural Heritage Museum, within the Park boundaries, wherein the cultures of the ethnic and founding races may be displayed (d) the possibility of routing a fresh water supply from a practical source and the feasibility of undertaking a study thereof?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and Trade and Commerce as follows: 1. April 1, 1965-March 31, 1966, 197,728; April 1, 1966-March 31, 1967, 204,286; April 1, 1967-March 31, 1968, 232,286.

2. April 1, 1965-March 31, 1966, $347,015; April 1, 1966-March 31, 1967, $370,900; April 1, 1967-March 31, 1968, $394,616.

3. The travel bureau publishes and distributes to prospective park visitors the following brochures which describe the park facilities: Canada National Parks—West, booklet; Canada's National Parks, folder; National Parks of Canada Accommodation, booklet; Angling Regulations in National Parks, folder; Elk Island National Park, folder (publication of this folder is under the authority of the Minister of Indian Affairs and Northern Development, national and historic parks branch).

Additionally, the travel bureau publicizes this park through: (a) publicity stories and photographs released to news media in the United States; (b) circulation of three films on the national parks, in which Elk Island is featured. Two of the films were produced by

the government of Alberta and one by the Calgary convention and tourist bureau. These films are distributed through the Canadian government travel film library outlets which are operated by the Canadian Government Travel Bureau in the United States and other countries; (c) circulation in the United States of a colour televisit (2½-minute T.V. film) produced by the Canadian Government Travel Bureau on Elk Island national park. (d) inclusion of a tour of the national parks in its "Visit Canada" programs, under which the bureau sponsors groups of travel writers, journalists, editors, tour operators and AAA travel counsellors on promotional tours of Canada.

4. The Elk Island national park has been under study and a plan of the park is in final stages of production: (a) no proposal has been made to increase the size of the golf course; (b) studies have shown that the beach capacities are adequate to meet demands for the next five to ten years. Research was carried out in 1966 and 1967 to find a feasible answer to a problem from algae. The summer of 1968 has had the best water conditions for many years. (c) there is a Ukrainian pioneer home in the park which is an authentic replica of a Ukrainian thatched cottage, built in 1951 as a tribute to the settlers in the vicinity. The cottage is furnished in the style of the early Ukrainian homes on the prairie and contains typical examples of clothing and utensils either made by the early settlers or brought with them from the Ukraine. A stone monument close by was erected in 1963 to commemorate the seventieth anniversary of the arrival of the first Ukrainian settlers in the area. (d) Astotin Lake is stagnant with no inlet or outlet. The feasibility of providing a fresh water inlet is under review. The cost of transporting fresh water from the Saskatchewan river 20 miles away would be extremely high. Deep wells would also be costly, and it is not likely that sufficient water would be available to produce the required inlet flow.

POST OFFICE FACILITIES, LAMONT, ALTA.

Question No. 279—**Mr. Mazankowski:**

Has any consideration been given toward upgrading the post office facilities in the Town of Lamont, Alberta and, if so, is there any indication as to when action will be taken?

Hon. Eric Kierans (Postmaster General): The Department of Public Works has been requested to provide a new post office in Lamont, Alberta during the fiscal year 1969-70.

CLOUD SEEDING BY ROYAL AIR CO.

Question No. 287—**Mr. Laprise:**

In accordance with the Air Transport Board decision bearing series number 2463, did the Royal Air Company Ltd. seed clouds in an attempt to induce rainfall during the summer of 1968 and, if so (a) at the request of what company did Royal Air Ltd. provide its services (b) in what region?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission advises as follows: By decision 2463 of the Air Transport Board (now the Canadian Transport Commission) Royalair was licensed to operate an aerial control (cloud seeding) service within Canada utilizing one Lockheed Lodestar aircraft.

The reports of Royal Air to the Air Transport Committee indicate that no cloud seeding was performed in the first seven months of 1968.

PRICE CONTROL BOARD FOR FARM MACHINERY

Question No. 299—**Mr. Beaudoin:**

Does the government intend to set up a Price Control Board for farm machinery in order to reduce prices to farmers?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Agriculture as follows: Government measures with respect to farm machinery will be considered following study of the report of the royal commission on farm machinery, receipt of which is expected within a few months.

CATCH FAILURE ASSISTANCE TO FISHERMEN

Question No. 322—**Mr. Muir (Cape Breton-The Sydneys):**

1. Has the Department of Fisheries been studying the matter of legislation that will provide catch failure assistance to fishermen on a national level?

2. What progress has been made in determining such legislation?

3. On what date did the study of such legislation commence?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. This complex subject has been investigated since 1966 but no legislation is under consideration.

2 and 3. Answered by above.

Questions

RECEPTION OF REFUGEES FROM BIAFRA

Question No. 331—**Mr. Yewchuk:**

Will the Government consider accommodating Biafran refugees in Canada in a similar manner as it has recently accommodated Czechoslovakian refugees in Canada and, if not, for what reasons?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Applications for admission to Canada from persons from the eastern region of Nigeria affected by the civil war will be given sympathetic consideration. Instructions have been issued to offices in Canada to extend the length of stay of visitors from this area who are already here and, if necessary, to assist them in finding employment.

DOCTORS' FEES, INDIAN HEALTH SERVICES

Question No. 332—**Mr. Yewchuk:**

1. What percentage of the doctors' schedule of fees is made in payment for medical services under Indian Health Services?

2. If the full fee is not paid (a) what is the reason (b) will the government give consideration to increasing the payment?

3. Will the government consider turning over the administration of the Indian Health Services to the provincial governments and compensate the provinces adequately to enable them to pay the full rate as listed in the schedule of fees?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Generally payment is made at 75 per cent of the provincial schedule.

2. (a) Indian health services is a program devised to provide essential care to Canada's medically indigent Indians. Authorities charged with operating similar programs, such as municipal and provincial departments, do not pay the full fees based on schedules applicable to private patients. It would not be in order for this department to pay at higher than usual rates. (b) These matters are considered from time to time on a regional and/or provincial basis according to the factors current at the time.

3. The federal government has encouraged provincial governments to provide health services to Indians on the same basis as such services are provided to other residents. When they do so the arrangements for compensation will be a provincial prerogative.

TAPE OF INTERVIEW WITH PRIME MINISTER

Question No. 334—**Mr. McCleave:**

1. Did the Canadian Embassy in Washington request a tape of an hour-long interview conducted by Patrick Watson of the Prime Minister and telecast over CTV in the two months leading up to June 25, 1968?

2. Was the request met?

3. Who requested the same, and for what purpose?

4. Did the Embassy or any official thereof make use of same, and for what purpose?

5. Are there plans to use this tape in the future and, if so, what is the nature of such plans?

6. On what equipment can such tape be used?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Yes. A request was made in April, 1968 but this request was withdrawn in May as a result of the calling of a general election. The request was renewed in September, 1968.

2. Yes.

3. The request was made by an officer of the staff of the Canadian embassy, Washington in order to evaluate the tape for such limited informational use as might be appropriate in the U.S.A.

4. Yes, for an evaluation screening by officers of the embassy staff.

5. No.

6. The tape can be used on a videotape recording machine.

FISHERIES RESEARCH BOARD

Question No. 338—**Mr. McCleave:**

1. Is it the intention of the Minister of Fisheries to disband the Fisheries Research Board as such, and to incorporate same within his Department?

2. Does the Minister intend to second the Director of Public Relations of the Board to act on the Minister's personal staff?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. There is no intention to disband the Fisheries Research Board.

2. No.

ISOLATION ALLOWANCE TO NORTHERN POSTAL EMPLOYEES

Question No. 347—**Mr. Peddle:**

1. What is the amount of the monthly "isolation allowance" paid to postal employees at (a) Goose Bay (b) Happy Valley (c) Labrador City (d) Wabush?

2. Is any consideration being given by the government to equalizing these allowances?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Post Office Department and the Treasury Board as follows: 1. (a) Goose Bay, married $65—single $40; (b) Happy

Valley, married $65—single $40; (c) Labrador City, married $35—single $20; (d) Wabush, married $35—single $20.

2. As a result of recent collective agreements negotiated between the Treasury Board and various bargaining agents representing employees in the public service, the matter of payments under the isolated posts regulations has been referred to the national joint council of the Public Service of Canada for review and recommendations.

UNEMPLOYMENT INSURANCE PAYMENTS, QUEBEC AND ONTARIO

Question No. 348—**Mr. Matte:**

1. During the fiscal year ended March 31, 1967, what was the monthly average number of persons for which reimbursement claims were made under the Unemployment Assistance Act (a) in Quebec (b) in Ontario?

2. During the same year, what was the federal government's share of such payments (a) in Quebec (b) in Ontario, and if the contributions made in Ontario are higher than those made in Quebec, what are the reasons therefor?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1. (a) Quebec, 317,612; *(b) Ontario, 144,870.

*The statistics were reduced in the latter part of the year by the transfer of a portion of the general assistance program to the Canada Assistance Plan.

2. *(a) Quebec, $59,786,898; (b) Ontario, $42,923,298.

*This figure consists of $33,286,898 paid under the authority of the Unemployment Assistance Act and $26,500,000 under the Established Programs (Interim Arrangements) Act.

[*English*]

INCREASE IN AIRCRAFT ACCIDENTS

Question No. 349—**Mr. Nesbitt:**

What is the explanation of the Department of Transport for the very sharp increase in the number of accidents to Canadian registered aircraft from January 1, 1965 until the present time?

Hon. Paul Hellyer (Minister of Transport): The number of aircraft accidents which have occurred since January 1, 1965, have actually declined in relation to the volume of flying as indicated by the following figures.

Between January 1, 1965, and December 31, 1967, accidents to Canadian registered aircraft increased by 35.6 per cent. During the same period flying hours increased by 46.2 per cent. Figures for 1968 are not yet available.

*POSTAL CANCELLATION STAMP RESPECTING SMOKING

Question No. 355—**Mr. Knowles (Norfolk-Haldimand):**

1. Did the Postmaster General authorize the use of a cancellation mark for postage stamps bearing the slogan "The safe cigarette is the one you don't light" and, if so, when was this authorized?

2. Has the minister considered the effect of the use of such a slogan on all aspects of the tobacco industry; and, if so, will the Postmaster General have such cancellation marks immediately withdrawn from use?

Hon. Eric Kierans (Postmaster General): Mr. Speaker, the answer to this question comes in two parts.

The first answer is Yes, in February, 1968. The answer to the second part is, after due consideration I do not plan to withdraw the use of the die at this time.

CAMPAIGN AGAINST CIGARETTE SMOKING

Question No. 363—**Mr. Rynard:**

1. What is the total amount spent by the Department of National Health and Welfare on the campaign against cigarette smoking?

2. What was the per capita consumption of cigarettes (a) across Canada for each of the years 1964 and 1967 (b) per province for the year 1964?

Hon. John C. Munro (Minister of National Health and Welfare): 1. $582,777.36.

2. (a) 1964, 2,113; 1967, 2,293. (b) Not available.

PER CAPITA MEDICAL COST

Question No. 364—**Mr. Rynard:**

What is the average medical cost per capita (a) across Canada for the month of January 1968 (b) per province annually?

Hon. John C. Munro (Minister of National Health and Welfare): (a) The average per capita cost of physicians' services in Canada in 1966, the latest year for which data are available, was $33.45, or $2.79 per month. On the basis of preliminary observations it is estimated that the corresponding figure for January 1968 was $3.26.

The per capita costs include payments made to physicians engaged primarily in private fee practice, payments made to salaried physicians, and payments made to residents and senior interns in hospitals.

Questions

(b) Per capita costs of physicians' services, by province, are available for 1966 only. They include the professional earnings of private fee practice physicians, but exclude payments made to residents, interns and salaried physicians, except for an estimate of the cost of services provided by certain physicians employed in private group practice and physicians employed under the cottage hospital medical service and by subsidized voluntary plans in Newfoundland: Newfoundland, $13.01; Prince Edward Island, $17.92; Nova Scotia, $22.94; New Brunswick, $18.50; Quebec, $25.27; Ontario, $35.55; Manitoba, $30.86; Saskatchewan, $30.22; Alberta, $29.25; British Columbia, $38.19; Yukon & Northwest Territories, $10.62.

BUCKMASTER'S FIELD HOUSING PROJECT

Question No. 366—**Mr. Carter:**

What was the total cost per unit of the Buckmaster's Field, tri-partnership subsidized housing project?

Hon. Paul Hellyer (Minister of Transport): The total per unit cost of Buckmaster's Field is estimated at $20,522 including the estimated cost to complete the project and capitalized interest of $1,982 per unit.

URBAN RENEWAL SCHEME, ST. JOHN'S WEST

Question No. 368—**Mr. Carter:**

What is the present position with regard to the proposed urban renewal scheme for the Mundy Pond Area, St. John's West and has the Newfoundland Government indicated its willingness to proceed with the scheme?

Hon. Paul Hellyer (Minister of Transport): The Mundy Pond area urban renewal scheme is being prepared by the city of St. John's and should be completed by the end of the year. The government of Newfoundland and Labrador has indicated that it wishes to proceed with the preparation of the scheme and its implementation.

ASSISTANCE TO DEVELOPING NATIONS BY AGRICULTURAL TEAMS

Question No. 375—**Mr. Skoberg:**

1. In what areas are Canadian Agricultural teams providing assistance to developing nations?

2. What are the qualifications of the members of each team, how many members make up each team and does any member have practical experience in the operation of a farm?

3. What are the agricultural qualifications of the members of the team presently in Tanzania?

[Mr. Munro.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Canadian agricultural teams are providing assistance to Tanzania and India/Malaysia.

2. The qualifications of the team members are, for Tanzania: agricultural engineering, animal husbandry, soil fertility, wheat breeding and agricultural economists; for India/Malaysia: soils specialist and general agriculturalist. Five members serve on the Tanzanian team and two on the India/Malaysian team. All have had practical farm experience.

3. The individuals serving in Tanzania are specialists agricultural engineering, animal husbandry, soil fertility, wheat breeding and agricultural economics.

FRED AGREEMENTS, QUEBEC

Question No. 404—**Mr. Coates:**

Of the four projects carried out in the Province of Quebec under the FRED agreement, what was the total cost of each project, its objective and the percentage cost to the federal government and the Government of the Province of Quebec?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): As none of the projects has been completed, the total cost is not yet known.

FRED AGREEMENTS, NEW BRUNSWICK

Question No. 405—**Mr. Coates:**

Of the twenty-three projects carried out in the Province of New Brunswick under the FRED agreement, what was the total cost of each project, its objective and the percentage of the contribution by the federal government and the Government of the Province of New Brunswick?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): As none of these projects has been completed, the total cost is not yet known.

HEAD OFFICE, HARBOURS BOARD

Question No. 416—**Mr. Fortin:**

1. Since May, 1948, has the National Harbours Board refused to pay for water and sewage services provided by the City of Quebec and, if so, for what reasons?

2. Is the matter in dispute and, if so, how much does the City of Quebec claim?

3. Is it the intention of the government to move the Head Office of the National Harbours Board to Montreal?

4. Does the government intend to appoint a representative of the Montreal area to that Board?

Hon. Paul Hellyer (Minister of Transport): 1. No.

2. Yes. Amount of claim has not been determined as the matter is under negotiation.

3. No.

4. Appropriate considerations of broad regional representation as well as other relevant factors are taken into consideration when filling vacancies on the board.

Questions

NATIONAL PARKS

Question No. 422—**Mr. Fortin:**

1. How many national parks are there in each province?

2. What were the expenditures by province, for each of the past three years?

3. Are there any provinces that have no National Parks and, if so, for what reasons?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. British Columbia, 4; Alberta, 5; Saskatchewan, 1; Manitoba, 1; Ontario, 3; Quebec, 0; New Brunswick, 1; Prince Edward Island, 1; Nova Scotia, 2; Newfoundland, 1.

2.

	1965-66	1966-67	1967-68
British Columbia	3,577,740	3,068,881	3,185,342
Alberta	10,782,558	15,329,105	12,136,777
Saskatchewan	849,146	780,749	1,422,369
Manitoba	937,417	922,386	1,007,948
Ontario	773,382	533,236	644,395
Quebec	—	—	—
New Brunswick	762,541	681,821	765,932
Prince Edward Island	752,420	380,597	527,085
Nova Scotia	1,590,803	1,868,909	3,534,781
Newfoundland	995,142	763,199	760,655

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3. Yes. The reason for this is that no agreement for the establishment of a national park has yet been entered into with the government of the province concerned.

NUMBER OF UNEMPLOYED, RICHMOND CONSTITUENCY

Question No. 437—**Mr. Beaudoin:**

For each year since 1962, what was the number of unemployed living in the constituency of Richmond, and what was the average age of those unemployed for each year?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): There are no unemployment figures for areas of this size. The Dominion Bureau of Statistics produces unemployment statistics for Canada and the provinces only. The size of the labour force survey sample does not allow for the production of figures in any greater geographical detail.

FARMS TAKEN OVER BY CREDIT CORPORATION, RICHMOND CONSTITUENCY

Question No. 440—**Mr. Beaudoin:**

For each of the years from 1962 until 1968, how many farms were taken over by the Farm Credit Corporation in the federal constituency of Richmond, and at what price?

Hon. H. A. Olson (Minister of Agriculture): The Farm Credit Corporation advises as follows: The corporation does not keep statistics by federal constituencies but for the municipal county of Richmond only one property was repossessed in the years from 1962-1968.

The amount owing to the corporation was $18,968.19.

RESEARCH GRANTS IN CARDIOLOGY

Question No. 455—**Mr. Isabelle:**

Did the Canadian Medical Research National Council award any grants for research work in cardiology in 1966-67, and if so (a) what was the amount of each such grant (b) to whom was each awarded?

Questions

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): In 1966-67 the Medical Research Council awarded the following grants in aid of research in the field of cardiology:

(a)	(b)
$ 7,200	Awad, J. A.
11,500	Balis, J. U.
12,000	Beaulnes, A.
7,450	Benfey, B. G.
12,880	Beznak, M.
8,000	Biron, P.
2,940	Bittar, N.
10,200	Boucher, R.
9,865	Calaresu, F. R.
11,500	Constantinides, P.
6,800	Cookson, F. B.
5,000	Cronin, R. F. P.
11,565	Dieudonne, J. M.
14,000	Dresel, P. E.
13,100	Gagnon, E. D.
50,000	Genest, J.
21,000	Genest, J.
39,700	Genest, J.
37,000	Genest, J.
8,896	Gutelius, J. R.
9,000	Haust, M. D.
9,000	Hinke, J. A.
4,000	Hunter, J.
6,475	Josenhans, W.
9,470	Kako, K.
3,100	Korecky, B.
7,800	Lakey, W. H.
6,000	Low, J. A.
2,750	MacConaill, M.
8,000	MacLeod, D. P.
24,000	McGregor, M.
29,000	McMillan, G. C.
17,000	Melville, K. I.
15,000	More, R. H.
12,000	Mustard, W.
6,200	Organ, L. W.
8,000	Panisset, J. C.
6,000	Prioreschi, P.
11,334	Reininger, E.
16,000	Renaud, S.
4,085	Reynolds, A. K.
2,100	Sanders, H. D.
5,000	Schatz, D.
6,500	Scott, H. J.
10,000	Simard-Duquesne, N.
6,000	Trobridge, G.
9,038	Valadares, J. R. E.
1,500	Whyte, J. C.
17,600	Yamada, S. I.
9,420	Zingg, W.
4,800	Zsoter, T. T.

[Mr. Isabelle.]

GRANT TO MONTREAL CARDIOLOGY INSTITUTE

Question No. 456—**Mr. Isabelle:**

Will the Montreal Institute of Cardiology receive special subsidies from the Canadian Medical Research National Council in recognition of having successfully carried out the first heart transplants in Canada to allow the Institute to continue its humanitarian work in the important field of heart diseases?

Hon. John C. Munro (Minister of National Health and Welfare): The Montreal Institute of Cardiology has requested no special subsidies from the Medical Research Council, although two members of its scientific staff currently receive grants in aid of their research.

[*English*]

SLAVE LAKE, ALTA—DESIGNATED AREA

Question No. 461—**Mr. Yewchuk:**

What are the necessary qualifications which would enable the Town of Slave Lake, Alberta and vicinity to become a designated area and is it the intention of the government to make the Town of Slave Lake and vicinity a designated area?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): To be designated under the Department of Industry Act, any town must be within a Canada Manpower Centre area or a county or census division that has suffered from high, chronic unemployment or low income. On September 25 last the Minister of Forestry and Rural Development announced the government's intention to review the program of industrial incentives for development areas, with a view to proposing legislation next year.

SURPLUS EMPLOYEES, CUSTOMS AND EXCISE

Question No. 466—**Mr. McCleave:**

1. In what region or regions of Canada is the Customs and Excise Division of the Department of National Revenue considered to have surplus employees?

2. How many employees, by category and region, are considered surplus?

3. What has happened to such employees declared surplus in each year?

4. Other things being equal, is veterans' preference given such surplus employees?

Hon. Jean-Pierre Cote (Minister of National Revenue): 1. Atlantic region; Quebec region, Central Ontario region; Southwestern Ontario region; Pacific region.

2.

Region	Category	Number
Atlantic	Clerical	32
	Stenographic	1
	Program administration	1
	Truckmen	3
	Caretaker	1
Quebec	Clerical	6
Central Ontario	Clerical	3
	Program administration	1
	Truckman	1
Southwestern Ontario	Clerical	11
	Stenographic	1
	Program administration	1
Pacific	Clerical	7
	Program administration	1

3. No action on this group of surplus personnel prior to 1968.

During 1968, 56 surplus situations, over and above those listed, have been resolved as follows: (1) By reassignment in the same port or region, 35; (2) By relocation in another region, 9; (3) By transfer to other departments, 2; (4) Through death, resignation or voluntary retirement, 10.

4. No. Under the Public Service Employment Act veterans' preference applies only to candidates for appointment to the public service.

RETIREMENT OF JUDGES

Question No. 505—**Mr. Diefenbaker:**

Since 1935, how many Judges have retired (a) within one year (b) within two years (c) within three to five years after appointment?

Hon. John N. Turner (Minister of Justice): (a) None. (b) One. (c) Six.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SENIOR EXECUTIVE CLASSIFICATION IN PUBLIC SERVICE

Question No. 42—**Mr. Lambert (Edmonton West):**

1. When was the category of Executive in the Public Service of Canada established?

2. How many groups are defined within the Executive category and is one of these called the Senior Executive Group?

3. How many levels are there to be within the Senior Executive Groups and what are the salary ranges of each of the levels?

4. How many positions in the Public Service Establishment are considered to fall within the Senior Executive category?

5. How many of these have now been filled (a) by departments and (b) at what levels (c) respectively by persons of what prior category or level and salary?

6. When is it anticipated that the remaining appointments within the Senior Executive category shall be completed?

7. What happens to the positions vacated by the appointees to the Senior Executive category, are they merged, abolished or retained to be filled by someone else?

8. Generally what are the parameters of responsibility and duties for the position of Senior Executive at the various levels?

9. What person or persons shall have the responsibility of assessing the performance and capabilities of Senior Executive?

10. Will deputy ministers be responsible for assessing persons of equivalent or higher salary brackets, on the basis of present salary levels or ranges?

11. Who determines the salary scales for the Executive Category?

Return tabled.

INTERNATIONAL BIOLOGICAL PROGRAM

Question No. 130—**Mr. MacLean:**

1. Is Canada taking part in the five-year International Biological Program?

2. If so, what is the amount of the contribution of the Canadian Government to this important project, and in what fields will Canada be making its main contribution?

Return tabled.

FEDERAL ASSISTANCE IN ANTI-EROSION PROJECTS

Question No. 207—**Mr. Schreyer:**

1. In each of the past three years, has any federal assistance been given for the purpose of riverbank stabilization or other anti-erosion measures relating to the protection of riverbank property?

2. If so (a) at what locations were such works carried out (b) what were the amounts of federal assistance in each case?

Return tabled.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, on September 13 I

placed question No. 57 on the order paper. It reads in part:

How many Liberal Members of the last parliament and Liberal candidates in the last election have been appointed to positions in government, civil service,—

and so on. Forty days is a long while to wait for an answer. I know there are a great number who have been appointed.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Surely in this computer age this government could tabulate the number, without making us wait for this length of time.

AGRICULTURE

ASSISTANCE TO WESTERN FARMERS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I ask leave, seconded by my hon. friend from Battleford-Kindersley, to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the serious situation facing western farmers as a result of restricted grain sales and unfavourable harvest conditions, which have led to there being large quantities of tough and damp grain and to serious deterioration of crops still out in the field. This situation gives rise to a need for immediate discussion in the House of Commons so that hon. members may present the fact and the government may tell parliament and the country of any steps it proposes to take to deal with this serious situation.

Mr. Speaker: Would the hon. member kindly address the house and the Chair in relation to the urgency of debate. The hon. member knows that discussion at this point should be limited exclusively to the question of the urgency of debate rather than to the urgency of the situation about which he complains.

Mr. Gleave: Well, Mr. Speaker, I believe this matter is urgent. Questions have been asked repeatedly in the house over the last short while in an attempt to find out what action is being taken by the government with regard to the situation which has developed and is developing in western Canada. Weather reports indicate that this situation is not improving. In fact it is getting worse, and this will affect not only the area in which it is occurring but the whole economy of Canada.

The effect of these adverse weather conditions has been compounded by the slowdown in grain sales, which has limited the amount of cash going into the hands of farmers in the area. These two factors are building up to a situation which will have disastrous consequences, first for the people of the region, and second for the economy as a whole.

Mr. Speaker: I appreciate the arguments advanced by the hon. member in connection with the urgency of debate. I doubt whether there is any point in pursuing the matter further. It seems to me that citation 100, paragraph 4 of Beauchesne's fourth edition is pretty well to the point in the special circumstances here, and I ask leave of the house to read it.

A motion to adjourn the house under standing order 26, for the purpose of discussing—

And this is a particular case to which the learned author refers in this instance

—"the serious situation in which the farmers of Manitoba are at the present time, on account of lack of feed for cattle and seed grain and no satisfactory result can be obtained from the government for relief", was ruled out of order because the subject matter thereof could be discussed either on the motion for the house to go into committee of supply or on a certain bill then on the order paper in respect to unemployment and farm relief.

• (2:50 p.m.)

I also refer to citation 100(8) which suggests that the matter should be one of a sudden urgency. From the questions which have been asked by the hon. member and a number of other colleagues in the house during the last few weeks I gather that this is not particularly or especially a sudden emergency but rather a very serious situation which has been continuing for a while, and because of this I doubt if there should be an adjournment of our debates at the present time.

I see that the hon. member for Lisgar (Mr. Muir) appears to want to contribute to the discussion and I would not want to be placed in the position where he would wish to discuss the matter after I had made a ruling. If he feels that he should add a few words at this point I think he might be allowed to do so before I make a ruling.

Mr. George Muir (Lisgar): Mr. Speaker, I would like to join the hon. member who has just spoken in referring to the emergency of the situation. Although it is true that this has been building up over a number of weeks the crisis has reached the point where there is no possibility, or very little possibility, of the

crop being recovered. The year is going on, we are getting into November, and we expect winter instead of harvest conditions.

We have repeatedly asked the government to give priority to the cash advance legislation over other legislation that has been brought forward, and this has been refused. In the last few weeks we have had no opportunity to discuss this matter which has now become not only a regional problem but one that is going to affect the economy of the whole of Canada.

I respectfully suggest to Your Honour that this matter should be discussed today; because the farm credit act, even though it may come up after the post office bill is passed, does not deal with this particular situation. All it does is provide money to be lent to farmers, but it does not in any way alleviate their immediate lack of cash which we feel the government should be considering in this serious situation.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I think it is very clear that this matter raised by the hon. member for Saskatoon-Biggar is a serious one; as is so frequently the point, this is not the issue here. Had the hon. member waited I am sure that later today he would discover that the wheat board, in its usual fashion, has the matter well in hand. So far as the handling of the difficult problem of damp and tough grain is concerned the wheat board is taking steps, in its usual fashion, to see that the greatest possible favour is given to the handling of damp grain.

The situation is so serious this year that it may not be able to handle the tough grain, but so far as urgency of debate is concerned it seems to me clear that the urgent thing is for this house to get on with the announced business of the house so we can then proceed with those pieces of farm legislation to which reference has been made.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, until the hon. gentleman opposite spoke I could fully understand the reasons for your expected decision, but the hon. gentleman transgressed the rules of the house in endeavouring to explain why the government has not acted up to now, and has now acted today through the wheat board.

If ever there was a serious situation it is this. The seriousness has been admitted by the hon. gentleman, and I appreciate that admission on his part. Anyone in this chamber who has not been in western Canada has no idea how serious the situation is. The hon. gentleman says we should get on with the rest of the business of the house. I say there is nothing more important, more imperative and more urgent than the dangerous situation on the prairies today.

I would like to see the Prime Minister, on behalf of the government, rise and say "We want immediate action in this regard." We want immediate action because in the last two or three days the situation has seriously accelerated to a point where the economy of western Canada is in danger. I would think this is one occasion when the government would not follow the course of forgetting about western Canada, and would give the house an opportunity to discuss this situation.

Some hon. Members: Hear, hear.

Mr. John Burton (Regina East): Mr. Speaker, may I suggest that there is urgency of debate on this question. On the facts of the matter there can be no dispute. According to the most recent reports of the Saskatchewan wheat pool, approximately 40 per cent of the crop in that province still remains to be harvested, and a good deal of the grain that has been harvested is in tough or damp condition.

As pointed out by the hon. member for Saskatoon-Biggar, a number of inquiries have been made in this house with regard to government programs to deal with the serious situation which faces the prairies. The normal answer given is that more time is required to determine the exact extent of the problem, and to see whether the farmers in fact would be able to harvest all of the crop on the prairies.

I think, as has been made clear within the past several days and as has been pointed out today, it will not be possible for many of the farmers on the prairies to harvest their crop. I confirmed this myself today in conversation with my constituents.

With reference to the remarks of the Minister without Portfolio, it seems to me there is no better opportunity than is being presented now to discuss some of the matters to which he referred. He referred to the actions of the Canadian Wheat Board. What we require is a discussion of the over-all situation. The minister referred to the necessity to get on with the legislation that is now before us. I suggest that this is only one part of the program required to deal with this situation. In fact there are many different programs which are required to deal with the problems facing the prairies.

Assistance to Western Farmers

I suggest this is a matter which could best be dealt with in a debate such as that proposed by the hon. member for Saskatoon-Biggar. There are several problems. There is the problem of tough and damp grain, the question of assistance to farmers who are unable to harvest their crop, and the need to further encourage and assist the Canadian Wheat Board in respect of the sale and export of grain. Therefore I urge that the motion be allowed and that we have a debate on this subject.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have no alternative but to rise in the house at this time to support the motion brought forward by the hon. member for Saskatoon-Biggar and so eloquently supported by the hon. member for Lisgar and the right hon. member for Prince Albert.

As you mentioned, Mr. Speaker, we as members have been putting questions to the ministry opposite regarding this serious situation that has been developing. We have seen the legislation which was earlier placed on the agenda for debate sidetracked on many occasions. Day by day the situation becomes worse. I think it is high time the regular business of the house is adjourned so we might debate this urgent matter.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, it seems to me that on a number of occasions motions similar to that which is before the house, having to do with a situation of national importance, have been allowed. Although it would seem that little purpose would be served by a motion of this nature in respect of crops that will not be harvested in some areas, I suggest the statement by the minister on behalf of the government is an indication that the Canadian Wheat Board intends to take only the normal action it is empowered to take in the circumstances.

Your Honour will remember that on a number of occasions concessions have been made to the wheat farmers in western Canada. If we are to override the quota system the wheat board has in use we must be in a position to permit the treatment of damp grain by the use of all our transportation facilities and the rerouting of the grain in the area. It seems to me this is something parliament could do by giving a direction.

[Mr. Burton.]

• (3:00 p.m.)

Because of the national interest in this matter I believe this motion should be allowed so that other steps can be taken in addition to those outlined by the minister, which I think we all welcome but which we all know will not solve the total problem. Surely parliament can give some direction in respect of changing quotas, and today is the day I suggest that we should give that direction.

Mr. Speaker: Let me suggest to hon. members that nothing that has been said following the motion by the hon. member has really changed the situation. I am still as convinced as I was in the first instance that this is a serious matter, and urgent; and if hon. members will allow me to do so I am prepared at this time to express an opinion and make a ruling.

I fully appreciate how urgent the matter is and how important the situation is to the country, and to members of this House of Commons. The decision before the Chair at the moment is whether the ordinary business of the house should be set aside for the purpose of discussing this situation. I must consider whether, within the near future, there will be an opportunity for hon. members to discuss this matter.

Reference has been made to the farm legislation which has come before the house and will come before it again later on. I am not necessarily impressed by this argument, but it seems to me that when we reach the budget discussion, which is a very general debate of much the same nature as the debate on the address in reply to the speech from the throne, there will be a number of days for hon. members to discuss this most important and urgent situation. I think that might be a very good opportunity to go into this matter.

If there were a delay in reaching this debate perhaps the motion could be made again and further considered, but because of the fact that within a short period of time there will be this general debate I think it would not be proper for the Chair to allow a debate at this time.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion No. 14 is agreeable to the government, subject to the usual reservations with regard to confidential papers and

authorization from government authorities concerned.

Would Your Honour be good enough to call notice of motion No. 11?

I ask, Mr. Speaker, that the remaining notices of motion be allowed to stand.

[*English*]

BILINGUAL HIGH SCHOOLS, NATIONAL CAPITAL REGION

Motion No. 14—**Mr. Nielsen:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all letters, telegrams, briefs or other documents exchanged since the 1st day of January, 1966, between the Prime Minister of Canada or any Minister or official of the Government of Canada and the Premier of Ontario or any Minister or official of the Government of Ontario, and between the Prime Minister of Canada or any Minister or official of the Government of Canada and the Premier of Quebec or any Minister or official of the Government of Quebec, on the subject of the establishment of bilingual high schools in the National Capital Region.

Motion agreed to.

ASSISTANCE TO MAPLE PRODUCTS' PRODUCERS

Motion No. 11—**Mr. Fortin:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, telegrams and other documents exchanged between the Minister of Forestry and Rural Development of Canada and the Minister of Agriculture of the Province of Quebec since January 1, 1965, relating to the request for assistance to the producers of maple sugar and syrup.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, it is my information that there is no correspondence in respect of this motion. I wonder, therefore, whether it might be appropriate for the hon. member to agree to having the motion withdrawn.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I am pleased to answer yes to the President of the Privy Council, provided there are no papers on the matter.

(Order discharged and motion withdrawn.)

[*English*]

Mr. Speaker: Shall the remaining notices of motions stand?

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to rise on a matter of privilege in respect of notice of motion No. 24 in my name. It deals with a report in respect of fish and game laws as they relate to native Indian people. I have been asked to attempt to obtain this document in light of the current consultations which are taking place with the native Indian peoples. They desire to have as much information in their hands as possible in order that they may fully and thoroughly discuss the various aspects of the laws relating to them. It seems to me that the longer the answer is delayed the more disadvantageous the position will be in which the native people will find themselves in dealing properly with the subject matter of the motion.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I take note of the hon. member's representations and I hope to be able to give him an answer next week.

[*English*]

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to rise on a matter of personal privilege. Last Thursday I asked the Minister of Transport about the production of papers referred to in notice of motion No. 12 which was placed on the order paper on September 24. This has reference to the Roberts Bank rail controversy. The minister replied at that time that this material would be available soon. Since this is the earliest available time I should like to ask the minister the reason for the delay in producing this information in relation to this urgent matter. I mention this because I feel my privilege as a member and the privilege of those people I represent are being disregarded by a continued reluctance on the part of the minister to provide this house with this factual information.

Hon. Paul Hellyer (Minister of Transport): There are a number of reasons, Mr. Speaker, including the fact that there are many agencies involved which have to be consulted. I can assure my hon. friend that I believe this will be dealt with next Wednesday.

PUBLIC SERVICE

REQUEST OF PROFESSIONAL INSTITUTE FOR MEETING WITH PRIME MINISTER

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he has acceded to

the request of the Professional Institute of the Public Service of Canada for a meeting of a delegation of the institute's officers and the Prime Minister to discuss and seek clarification on certain matters arising from Bill No. C-120 and, in particular, from the Prime Minister's statement to the house at the resolution stage.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I received this letter from the institute the day before it was delivered to the press. At that time I considered whether this was conducive to obtaining the information really wanted. I was asked in the letter a series of questions concerning government agencies, and I referred this letter to those agencies in order that they might verify whether the fears or allegations referred to were well founded. When I receive a reply I will in turn reply and indicate whether I wish to see these gentlemen.

EXTERNAL AID

REQUEST FOR INCREASE IN PERCENTAGE OF NATIONAL INCOME

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, in view of the fact that despite the recent desirable increase in our foreign aid Canada still stands twelfth among the 16 western industrial nations in the proportion of the national income which is used—

Mr. Speaker: Order, please. Would the hon. member ask the question? He knows the purpose of asking questions at this time is not to convey information but rather to seek it.

Mr. Lewis: Mr. Speaker, with great respect, I did not think the question I am about to pose would have meant as much to the Prime Minister without the preamble. I should like to ask the Prime Minister whether he can inform the house of any plans the government has to increase foreign aid so that the goal he has expressed of 1 per cent of the national income may be reached by 1970; and will he indicate in what stages?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, it was the previous government's policy, as it has been the policy of this government, to consider this as a goal. Every year we are doing better. I believe the increase this year was some $50 million for foreign aid and for international development. We are still aiming in this direction, and perhaps in next year's budget we will discover new ways of finding more money so we can help more people in other countries.

[Mr. Stanfield.]

[*Translation*]

PUBLIC WORKS

MONTMAGNY, QUE.—REQUEST FOR DREDGING

On the orders of the day:

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Transport.

Will the Department of Transport undertake shortly the dredging of the Montmagny basin to promote the economy of that area, as the shooting season for migratory birds on Ile-aux-Grues has now started and communications by water have become extremely difficult?

Mr. Speaker: Order. I think that this question should be put on the order paper, but if it is urgent, the hon. member could advise the Chair so that it can be discussed during the adjournment motion.

Mr. Lambert (Bellechasse): At ten o'clock, Mr. Speaker.

[*English*]

HOUSING

MONTREAL—HEARING OF BRIEFS BY TASK FORCE

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Transport. I would like to ask the minister, for how many days was the urban task force scheduled to sit in the city of Montreal for the purpose of hearing briefs from groups or individuals concerning urban development and urban housing problems in this metropolis of Canada?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, it was scheduled to sit for two days, but if there are additional excellent briefs that should be considered we would be willing to consider additional time, or we will hear interested persons when we return to the Hull-Ottawa area about the end of the month.

[*Translation*]

Mr. Valade: Mr. Speaker, I would like to ask the Minister of Transport a supplementary question.

What steps has the minister taken to inform the public, the intermediate bodies as well as the federal and provincial members of parliament interested in that problem that public sittings will be held at such a date and time set aside for that purpose—

Mr. Speaker: Order. I doubt very much that the question is in order because the hon. member is referring to something that has already happened.

Mr. Valade: I will rephrase my question, Mr. Speaker.

What measures does the minister intend to take in order to let the people, the intermediate bodies and the men in public life know when and where those public meetings will be held?

[*English*]

Mr. Hellyer: Mr. Speaker, public notice is given by newspaper advertisements. In addition we often send letters to organizations which we feel will be particularly interested in the subject.

Mr. W. B. Nesbitt (Oxford): A supplementary question, Mr. Speaker. Will the minister indicate to the house whether his task force on housing will return to Montreal, in view of the fact that they spent only two days there and three days in Toronto?

Some hon. Members: Oh, oh.

FINANCE

CONSULTATIONS RESPECTING PROPOSED SECURITIES COMMISSION

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Will the minister advise the house whether the government has given consideration to the establishment of a national securities commission, in line with the request from a number of provinces and of several responsible financial bodies in the country?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, for some time I have been very actively engaged in the preparation of a federal position on a national securities administration. There will be a meeting on Friday, as I have answered in written questions, of the continuing committee of officials on financial institutions, to discuss this matter.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker. Is the minister in a position to indicate when a decision may be reached and announced?

Mr. Basford: Mr. Speaker, we have decided to introduce in this session of parliament a securities act, which we will be discussing with the provincial officials on Friday.

Inquiries of the Ministry

AGRICULTURE

INQUIRY AS TO ASSISTANCE TO WESTERN FARMERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Minister without Portfolio from the province of Saskatchewan, in view of the fact that he made some observations a few minutes ago and apparently is looking after this side of the question. Will he say whether, in view of —and I do not think I overstate the situation in saying this—the devastation on the prairies, consideration is being given by the government to bringing in acreage payments for the small farmers? Second, will he add to the observations he has already made regarding the nature of action to be taken in so far as marketable wheat is concerned; that is, wheat that is damp and will not be saleable unless action is taken?

Mr. Speaker: Order, please. The right hon. gentleman asked the question of the minister in his alleged responsibility as minister from Saskatchewan. I have suggested to hon. members in the past, rightly or wrongly, that it is not in accordance with the rules to ask questions in this way. The right hon. gentleman referred to the fact that the minister spoke before, but my understanding was that he was speaking on the point of order. I would think this question should be answered by the responsible minister, or the minister who has administrative responsibility.

Mr. Diefenbaker: Then I direct my question to a minister who can be described as responsible—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —that is, the Minister of Agriculture.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am sure all the ministers on this side of the house would fit into that category.

Some hon. Members: Hear, hear.

Mr. Baldwin: Speak for yourself.

Mr. Olson: In direct response to the right hon. gentleman's question I would say that everyone in this house, and particularly members from western Canada, know there is no assistance program that is equal, or even near equal, to the farmer being able to harvest a good crop in good condition. However,

there is a series of programs available this year which in the aggregate exceed anything that has hitherto been available to the grain producers of western Canada. No. 1: there is $127 million worth of crop insurance in force in the three prairie provinces this year, in connection with which the federal government has paid 25 per cent of the premium plus 50 per cent of the administrative cost.

Some hon. Members: Hear, hear.

Mr. Olson: Second, on the basis of the estimates that we now have, there will be a minimum of $14 million paid out in P.F.A.A. payments.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on a point of order—

Mr. Olson: It is impossible to give an estimate of the maximum until harvesting operations are completed this fall. Third, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre has risen on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my point of order is this. Isn't this a speech which might well have been made on the motion to adjourn the house, or when we are on a piece of farm legislation? I submit that it should not be made in the question period.

Mr. Olson: Mr. Speaker, speaking first on the point of order, all these programs are well known to hon. members—

Mr. Speaker: Order, please. I suggest that the minister should not speak on the point of order but should perhaps complete his answer.

Mr. Olson: Thank you, Mr. Speaker. Third, this government has introduced—

Mr. Speaker: Order, please. I suggest to the minister that he is now giving a complete review of government action over a period of time. I will allow the hon. member for Lisgar to ask his question.

Mr. Diefenbaker: Mr. Speaker, I ask a supplementary question because I have not received any answer to the original question. Would the minister, instead of giving voluminous approbation to the crop insurance program which my government brought in advise whether this government is going to give the small farmers the acreage payment. Surely the minister can answer that question.

Mr. Olson: Mr. Speaker, my understanding of being responsible is to answer, and that is what I want to do. I want to tell the right hon. gentleman that all the programs we have add up to substantially more than acreage payments to the—

Mr. Muir (Lisgar): On the point of order, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. There has been a ruling on the point of order. The ruling was that there was not one.

Some hon. Members: Oh, oh.

Mr. George Muir (Lisgar): A supplementary question to the minister, Mr. Speaker. Would the minister not agree that all he is doing is repeating the legislation that was brought in by the former government?

Mr. Olson: No, Mr. Speaker. The advance payments, that we would like to bring in as soon as the opposition will let us pass the legislation, is a substantial improvement over previous legislation in this respect.

Mr. Ricard: Bring it in.

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

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

Mr. Speaker: Order, please. The hon. member for Selkirk on a supplementary question.

Mr. Ed Schreyer (Selkirk): My supplementary question is to the Minister of Agriculture. Can the minister say whether in addition to the existing program to which he referred, any extraordinary, special programs are to be undertaken to deal with this extraordinary situation on the prairies?

Mr. Olson: Mr. Speaker, my department and the other departments concerned are always considering extraordinary programs to meet extraordinary situations. But the hon. gentleman knows that this situation cannot be assessed until the harvesting season is completed, and there are many areas in western Canada where harvesting operations are now under way.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question to

which the minister can answer yes or no. Does he not think the farmers now need special assistance, in view of the horror tale which was unfolded last night?

Mr. Olson: Yes, sir; and I suggest the best way we can get it is to pass the farm legislation.

Some hon. Members: Bring it in.

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO ACTION RESPECTING OFFSHORE MINERAL RIGHTS

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): I have a question for the Prime Minister. On September 18, in answer to a question, the Prime Minister stated that the government intended to proceed with negotiations dealing with offshore mineral rights, and they expected soon to lay a proposition before the provinces. My question is, since five weeks have passed, has the government presented such a proposition to the provinces, and will this house have an opportunity of dealing with this matter in the near future?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker, in the very near future. It is a matter which has already been dealt with in cabinet, and we are waiting for the appropriate time to proceed.

Mr. Hees: Has the proposition been presented to the provinces, or will that be done in the near future?

Mr. Trudeau: In the near future.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO REPORT OF OUIMET ROYAL COMMISSION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): May I change the subject from agriculture to prisons, Mr. Speaker, and direct a question to the Solicitor General? Since matters affecting all phases of penology have been referred to a standing committee through the medium of the estimates, can the minister advise the house when we can anticipate receiving the report of the Ouimet royal commission which was appointed over two years ago? Has any deadline been set for the receipt of this report?

Hon. G. J. McIlraith (Solicitor General): Yes, Mr. Speaker. I hope to receive the report by the end of the fiscal year.

EXTERNAL AID

NIGERIA—DELAY IN USE OF HERCULES AIRCRAFT

On the orders of the day:

Mr. Don Anderson (Esquimalt-Saanich): I should like to direct a question to the Secretary of State for External Affairs. Since it now appears that the Hercules aircraft we provided for the International Red Cross to carry relief supplies between Fernando Po and Nigeria or Biafra are unable to use Nigerian airstrips, I should like to know whether the minister intends to substitute the Caribou or some other lighter aircraft which could use the airstrips now in existence?

Hon. Mitchell Sharp (Secretary of State for External Affairs): So far as the Hercules are concerned that are awaiting clearance to fly from Fernando Po to Biafra, we fully expect that when the formalities are cleared with Equitorial Guinea these planes will fly. Difficulties have been caused by the fact that the established airstrips within the control of the federal government of Nigeria do not seem to be in proper condition to accommodate the large Hercules aircraft. I therefore communicated with General Wrinch the other day and asked him to inquire of the International Red Cross about the possibility of supplying other planes.

Mr. David MacDonald (Egmont): May I ask a supplementary question. In view of the discussion during the question period yesterday, can the minister tell us whether there has been an effort to obtain the views of the Nigerian government with regard to permitting Canadian Hercules aircraft to fly from Sao Tomé over Nigeria to Biafra?

Mr. Sharp: No. As I said to the hon. gentleman yesterday, we fully expect we will get these aircraft into operation between Fernando Po and Biafra.

Mr. Andrew Brewin (Greenwood): Will the Secretary of State for External Affairs confirm a statement made by Dr. Arikpo in New York on October 8, in the presence of the minister's parliamentary secretary and several other members of parliament including the hon. member for Egmont and myself, to the effect that there would be no objection on the part of the Nigerian government to mercy flights from São Tomé to Biafra provided the Red Cross inspected the cargo?

Mr. Sharp: This question was asked yesterday, Mr. Speaker, and I said I was trying to

ascertain whether this was so. Unfortunately the commissioner for foreign affairs of Nigeria is in hospital. He is ill. I am still pursuing my inquiries.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Does the statement mean the minister has now found the lost officials from Equatorial Guinea?

Mr. Sharp: We are pursuing the matter diligently, Mr. Speaker.

Mr. J. M. Forrestall (Dartmouth-Halifax): May I ask a further supplementary question. In the minister's consideration of alternative equipment for the movement of food and supplies that have been placed in depots, would he study the possibility of using rotary wing aircraft if the present landing strips or roadways are not suitable for the Hercules or Caribou?

Mr. Sharp: The situation in which we are now is that the International Red Cross has told us quite definitely they prefer that Canada supply the Hercules. This was the request we had from the International Red Cross. The Hercules, I believe, will be able to fly into Biafra territory if not into the federal Nigerian areas. We are now exploring alternative possibilities.

[*Translation*]

EXPO '67

INQUIRY AS TO SALE OF EXPO EXPRESS

On the orders of the day:

Mr. Lionel Beaudoin (Richmond): Mr. Speaker, I wish to put my question to the Minister of Trade and Commerce.

Does the minister or his officials intend to ask the SUTRI company to reconsider its decision to purchase Expo-Express, so that this means of transportation may become the property of the city of Montreal?

Hon. Jean-Luc Pepin (Minister of Trade and Commerce): I am now conducting an investigation on the matter, Mr. Speaker. It is possible that SUTRI may wish to withdraw. I will meet this evening the Minister of Trade and Industry of the province of Quebec in this connection.

Mr. André Fortin (Lotbinière): I would like to ask the hon. Minister of Industry, Trade and Commerce—

Mr. Speaker: Order. The hon. member for Charlevoix wants to ask a supplementary question.

[Mr. Sharp.]

Hon. Martial Asselin (Charlevoix): I would like to address a supplementary question to the hon. minister, Mr. Speaker.

The minister has just stated clearly to the house that he has received representations from the directors of the company to the effect that the company was withdrawing its bid.

Mr. Pepin: I mentioned that this was said. I am conducting an investigation.

Mr. Asselin: Did the minister have any other discussions with officials of the city of Montreal, in order to confirm to them what he has just said?

Mr. Pepin: First I want to meet my provincial colleague.

AGRICULTURE

APPLICATION OF FARM STORAGE POLICY TO EASTERN CANADA

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the hon. Minister of Finance.

Can he tell the house why the measure he announced last night to provide help to the farmers who need larger grain storage facilities does not apply to the farmers in the province of Quebec and the Maritimes?

Mr. Speaker: That question could be put when the house studies the budget.

[*English*]

INDIAN AFFAIRS

BRITISH COLUMBIA—COURT DECISION RESPECTING LEASED RESERVE LAND

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Justice. The other day I inquired about a decision of the Supreme Court of British Columbia relating to Indian reserve lands which is of extreme importance. I wonder if the minister has any reply he would like to make.

Hon. John N. Turner (Minister of Justice): I have now had an opportunity of reading the judgment of Judge Kirke Smith. I understand that because of a dispute over costs the judgment has not been entered as yet so the period for appeal has not begun to run. However, the solicitor for the plaintiff will send to the department all the pleadings and relevant material connected with this case.

Since the appeal date has not commenced to run, I must forgo expressing an opinion.

Mr. Howard (Skeena): May I ask a supplementary question of the Minister of Indian Affairs and Northern Development with regard to the same subject. I should like to ask the minister whether any application has been made to his department, since Indian reserve lands are involved, for his department to participate in financing an appeal.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not know whether such a request was made by the people concerned, but I can assure the member that I shall look into the matter and give him an answer within a few days.

[*English*]

TRADE

GRAIN—REPORT OF SCIENTISTS RESPECTING EXPORTS TO JAPAN

On the orders of the day:

Mr. Don Mazankowski (Vegreville): I should like to direct my question to the Minister of Agriculture. Will the minister inform the house of the results achieved by the commission of two senior scientists sent to Japan by the board of grain commissioners concerning the export and processing of Canadian grains?

Hon. H. A. Olson (Minister of Agriculture): I do not have a report from this commission, Mr. Speaker, but I have requested one. I will take the question as notice and give a reply to my friend as soon as I receive the report.

HEALTH AND WELFARE

BRITISH COLUMBIA—PROPOSED TRAINING CENTRE FOR RETARDED YOUNG PEOPLE

On the orders of the day:

Mr. Ray Perrault (Burnaby-Seymour): I should like to direct a question to the Minister of National Health and Welfare. Has any final decision been taken to make available all or part of the former Smithers experimental farm in British Columbia for use as a retarded young people's training centre?

Mr. Speaker: I believe the question could be placed on the order paper. If there is urgency, which is not readily apparent, the matter could be discussed at the time of adjournment.

Inquiries of the Ministry

NATIONAL DEFENCE

PARTICIPATION IN DESIGN AND DEVELOPMENT OF NEW PLANE

On the orders of the day:

Hon. D. S. Harkness (Calgary Centre): I should like to direct a question to the Minister of National Defence. Is the minister now in a position to inform the house whether the government has taken a decision with regard to joining the European fighter aircraft consortium. If so, what is that decision?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, yes, we have reached a decision. As a matter of fact we are instructing our officials today to inform the European consortium on the multi-role aircraft that Canada will not participate in this project. With the current budgetary restraints and the high risk factor of this venture we have concluded that it would be inadvisable for Canada to participate.

Mr. Harkness: A supplementary question, Mr. Speaker. Does this mean that a decision has been taken in respect to the long term and that Canada will withdraw from this type of fighter aircraft project completely?

Mr. Cadieux (Labelle): Mr. Speaker, I do not know why the hon. member is always referring to fighter aircraft. We refer to it as a multi-role aircraft, so it is fighter, bomber and support aircraft.

Mr. Harkness: Might I ask the minister—

Mr. Speaker: Order. I bring to the attention of the hon. member that he has asked one supplementary and that we are running short of time. The Leader of the Opposition is very anxious to ask a question.

Mr. Harkness: On a point of order if I may, Mr. Speaker, I do not think the minister answered the question. He merely referred to the type of aircraft. I am wondering whether he would now answer the question.

Mr. Speaker: Order. The Leader of the Opposition.

THE CANADIAN ECONOMY

INQUIRY AS TO DEVELOPMENT PLAN FOR ATLANTIC PROVINCES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, on Monday last I

directed a question to the Minister of Forestry and Rural Development, and it became clear on reading the reply of the minister that he had not understood the import of my question. I should therefore like to ask him now whether the intention of the Atlantic Development Board to bring forward a plan for the economic development of the Atlantic provinces this year has been abandoned. I think the minister will recall that the board was initially charged with the responsibility of arriving at a development strategy for the region, and this has not yet been done.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I know that the Atlantic Development Board is considering a long term program for the development of the Maritime provinces. That board has done a great deal for the Maritime provinces. The program is not ready yet and, therefore, has not been submitted to us. We expect to receive it one of these days—I do not know when—but in the meantime since there will be a change in departmental responsibilities, we will no doubt take this work into consideration.

[*English*]

Mr. J. M. Forrestall (Dartmouth-Halifax): A supplementary question, Mr. Speaker, which I should like to direct to the Minister of Transport. In view of the uncertainty expressed by the minister in charge of regional matters, can the minister give maritimers some assurance that individual programs that might normally fit into the context of his colleague's plan will be brought on a little more quickly? Could he take some steps to make sure this matter is brought on at an early stage?

Hon. Paul Hellyer (Minister of Transport): I can assure you, Mr. Speaker, that there will be maximum co-operation between the two departments concerned.

Mr. Stanfield: Mr. Speaker, I have a supplementary question. Would the minister inform the house as soon as possible when he expects to receive such a plan from the Atlantic Development Board?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I can try to find out when, but one thing is certain, as soon as we receive reports from the Atlantic Development Board we shall be glad to have them published and make them available not only to the members of this house but also to the general public.

[*English*]

[*Later:*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, this might sound like a technical question, but I can assure you it is an important one. I address it to the minister responsible for forestry and regional development. When the minister refers to the maritime region, does he really mean the Atlantic region? This mistake has been made on a number of occasions, but there is a very sharp distinction between the Atlantic region and the maritime region. Would the minister bear this in mind in future statements?

AGRICULTURE

EQUALIZATION OF QUOTAS—MOVEMENT OF DAMP GRAIN

On the orders of the day:

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. What measures have been taken by the Canadian Wheat Board to equalize the quotas in the three prairie provinces? Also, what measures have been taken to give priority through the railway companies to the allocation of box cars for the movement of damp grain from shipping points that are still on units?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have already given a reply to the house concerning the initiatives that have been taken in this matter by the wheat board. The board is doing some of what my hon. friend suggests it should be doing.

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Does not the Canadian Wheat Board have any authority to set special quotas, such as might be required for damp grain?

Mr. Pepin: Mr. Speaker, I understand they do have, but the Minister without Portfolio, who was in touch with the wheat board this morning, has reported to me that the wheat board are finding out how much tough and damp grain there is at the moment, and that they are temporarily stopping the shipment of dry grain while checking into this.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Prime Minister.

Could he tell the house if the new appointment to the royal commission on bilingualism and biculturalism can create such a commotion that it will free both ethnic groups of their frustrations?

[*English*]

HEALTH AND WELFARE

INQUIRY AS TO STUDY OF SNIFFING OF GLUE, ETC.

On the orders of the day:

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of National Health and Welfare. The minister recently indicated the difficulty of legislating against the use of glue and other commodities he mentioned at the time. My question to the minister is, has the government made a study of how widespread are these bad habits, and are these habits being carried on openly under some form of camouflage?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, a study is under way at the present time.

Mr. MacInnis (Cape Breton-East Richmond): A supplementary question, Mr. Speaker. I did ask the minister whether these bad habits are being carried on openly under some form of camouflage, and my supplementary question to the minister is whether such ingredients could be sprayed on a flower and sniffed all evening?

Mr. Speaker: Order. I have to bring to the attention of hon. members that the time allotted for the question period has expired.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, on a point of order, I wonder whether the Prime Minister would arrange on another day of the week to have all his ministers present, in view of the fact that there are so many unanswered questions. This is not meant as a reflection upon Your Honour, because I think you have divided the time as fairly as you could, but there are many questions that we have been waiting to ask for some days. I know some ministers are lying around the House of Commons with nothing to do, and if this day could be arranged—

Mr. Speaker: Order.

Mr. Bell: —we would appreciate it, perhaps some time later this week.

Mr. Speaker: Order, please.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I will see to it that next Wednesday all ministers will attempt to be present again.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, on a point of privilege, I should like to take this opportunity, if you will be lenient with me, sir, to congratulate the Prime Minister and some of the ministers of his cabinet on wearing today the lapel pins of the province of Prince Edward Island. We hope this is a good sign for the prospects of the causeway to our province. We also hope the fact that only a very small minority of the ministers are wearing the pin is not going to be a bad omen.

Mr. Speaker: Order. On the same point of order perhaps I should allow the hon. member for Cardigan to ask the question that he has been trying to ask for 30 minutes.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY— MEETING WITH DELEGATION

On the orders of the day:

Mr. Melvin McQuaid (Cardigan): Thank you, Mr. Speaker. My question is directed to the Prime Minister. I should like to ask him whether he did meet earlier today with this distinguished delegation from Prince Edward Island that is presently in the gallery, to discuss the question of the causeway and, if a decision has been reached, would he care to make an announcement?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, there will be no announcement made today in view of the time.

Mr. Speaker: Orders of the day.

• (3:40 p.m.)

POST OFFICE ACT

AMENDMENTS AFFECTING RATES, ADMINISTRATION, SAVINGS BANK

The house resumed from Tuesday, October 22, consideration of the motion of Mr. Kierans for the second reading of Bill No. C-116, to amend the Post Office Act, and the amendment (page 1623) thereto of Mr. Macquarrie.

Post Office Act

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, though there is a good case to support the amendment to refer this matter to a standing committee on transport and communications, in view of discussions which have gone on during the question period I think that all members of the house realize that farmers in western Canada face an extremely serious situation. I therefore would move, in accordance with one of the provisions of standing order 44:

That this house now proceed to Order No. 8, second reading of Bill No. C-133, an act to amend the Prairie Grain Advance Payments Act.

Mr. Speaker: I have serious doubts about whether this motion is in order. If hon. members wish to advise the Chair, I shall be glad to hear them. If not, I shall render my decision.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if Your Honour is prepared to render a decision perhaps it is in vain to argue. But may I draw Your Honor's attention to standing order 44. That standing order has been included in our rules and it must serve a purpose. It must be in there to be used on appropriate occasions.

Standing order 44 reads:

When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; to extend the sitting of the house; to continue a sitting between the hours of 1.00 o'clock p.m. and 2.30 o'clock p.m. or 6.00 o'clock p.m. and 8.00 o'clock p.m., as the case may be; or for the adjournment of the house.

The motion of my colleague from Moose Jaw relies on one of the rights set out in this standing order, the right, when an order is under debate, to proceed to another order. The hon. member for Moose Jaw has the floor and his motion is properly before the house. I submit he has the right to be heard under standing order 44.

I have not found many references in Beauchesne to this standing order. Citation 195 in Beauchesne's fourth edition, which is too long for me to read fully, distinguishes between a substantive motion and other kinds of motions, such as those having to do with privilege, superseding motions, dilatory motions, and so on. The last paragraph reads:

Dilatory motions are designed to dispose of the original question either for the time being or permanently. They are the following: "That consideration of the question be postponed to ..... (date)." "That the orders of the day be read." "That the House proceed to" (name another order); or "that the House proceed to the next business." "That the debate be now adjourned." "That this meeting be now adjourned."

I might also refer to the sentence by way of preamble to citation 189, which reads:

In the absence of standing orders to the contrary, the following motions may be made without notice:

There is a long list, and one of the items near the bottom of that list is, "for proceeding to another order;".

I submit therefore that a motion of this kind is provided for in standing order 44. Several other references in Beauchesne's fourth edition indicate that this standing order may be of use. I grant that it is used very rarely but, surely, because it has not been used for a long time does not mean that we are not entitled to use it on this occasion.

As the hon. member for Moose Jaw intimated, there has been considerable discussion about setting aside the post office legislation to deal with the advance payments legislation. As a result he moved his motion, and we are asking this house to make a decision on that motion.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, may I say briefly that I support this motion. I think it is in order, and I think it is a proper procedure to follow at this time. There has been much effort to have the government proceed with farm legislation. Standing order 44 I think is fairly clear. There was a reference on March 29, 1966, to this rule. At that time there was an application to proceed from government orders to private members orders. It was then ruled that such a proceeding could not take place because the application had to remain within the same type of order, or the same type of amendment that was then, or currently, under consideration. I do not have the case before me, but the inference was clearly to be drawn that if the motion were that the house proceed from one government order to another, it could be brought.

Mr. Speaker: I may advise hon. members that I am prepared to render a decision on good authority. If other hon. members wish to express their views on a point of order at this time, I shall hear them.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to say very briefly that the Ralliement Créditiste is very happy to support the motion introduced by the hon. member for Moose Jaw (Mr. Skoberg).

Our arguments are very simple and not very much inspired by the law but by plain common sense. We feel that the passing of Bill No. C-113 entitled: An Act to amend the Prairie Grain Advance Payments Act is very urgent as compared to the Post Office bill which no one wants to see passed.

[*English*]

Mr. Speaker: I thank hon. members for the expression of their views. Unfortunately, I do not think it is possible for the Chair to accept the motion proposed by the hon. member. It is true that the standing order referred to by the hon. member must be taken into account, but we must also take into account other standing orders, and particularly standing order 18(2) which reads:

Except as provided in standing orders 43 and 56, government orders may be called in such sequence as the government may think fit.

There are a number of other precedents that I might bring to the attention of hon. members. There is one precedent that is entirely on point. On that occasion a motion was brought under the standing order to move from one government order to another government order. The matter was not, as the hon. member for Parry Sound-Muskoka said, a proposal to move from a government order to a private member's order.

I refer hon. members to the *Journals* of the House of Commons, 1966, page 543, where the following is to be found:

And the question being again proposed,—That Mr. Speaker do now leave the Chair for the house to resolve itself into committee of the whole to consider a certain proposed resolution—

Mr. Fulton, seconded by Mr. Blair, moved,—That the House do proceed to another order, namely No. 12.

Mr. Speaker ruled as follows:

May I point out to the honourable Member for Kamloops (Mr. Fulton), that I cannot accept his motion because the order that is now before the house is a government order, and the other order that the honourable member now considers we should proceed with is order No. 12, which is another government order, and government orders may be moved only by the leader of the house. I would refer honourable members to standing order 18(2).

There is also citation 136, which reads:

• (3:50 p.m.)

"All motions referring to the business of the house should be introduced by the leader of the house."

By virtue of standing order 18(2) the government has full jurisdiction over its own orders.

Standing order 18(2) reads:

"Except as provided in standing order 56, government orders may be called in such sequence as the government may think fit."

Therefore, I cannot accept the honourable member's motion.

In view of this precedent—and in the circumstances this is the only one which I thought was necessary to bring to the attention of hon. members—I regret I cannot put to the house the motion proposed by the hon. member.

Mr. Lambert (Edmonton West): May I rise to seek Your Honour's guidance in this matter? Does Your Honour consider, then, that while standing order 44, which is binding on this house, does indicate that a motion may be made without notice to transfer from one item of business to another, that this is a prerogative of a minister of the crown in the light of the wording of standing order 18(2) to which Your Honour referred?

Mr. Speaker: The point raised by the hon. member is a point of argument which might have been raised before I made my ruling. I can only tell the hon. member that there is a standing order, 18(2), which binds the Chair and all hon. members, and that there are precedents by which I feel bound. I have quoted one of these precedents, and I have also quoted the standing order. There may be, to some extent, a discrepancy between the two standing orders; but in the light of previous rulings I have no alternative but to accept the interpretation which has been placed on these two rules by past Speakers.

Mr. A. D. Hales (Wellington): Mr. Speaker, I rise in support of the amendment which is now before the house, that this bill to amend the Post Office Act, Bill No. C-116, be referred to a committee.

It is very difficult for me, and, I am sure for many other hon. members in this house as well as Canadians generally, to understand why a bill as important as this should not be referred to a committee. These proposals will affect everyone who buys a postage stamp. They directly affect many businesses, large and small. They affect all the publishing companies in this country, and there are many questions to be answered. I realize that the minister has provided all members with what we call a white paper outlining a good deal of the information. I also realize that many hon. members have been presented with briefs on this subject, and that the minister himself has received representations. However, there are

many questions to be answered and we have no opportunity to ask them in the house. We were given this white paper and told: Here it is; I ask you to accept it.

No opportunity has been provided which would enable members to address questions to departmental officials. Neither is there any opportunity, really, for research to be undertaken; the opposition is not equipped with the type of research facilities available to the officials of the hon. gentleman's department. Yet we are asked to accept this document without question. As I say, we have all received briefs. But we have not had a chance to pool them all and discuss them thoroughly. So, I say again that I find it hard to understand why the minister is not willing to allow this important bill to be sent to a committee.

I have a few other observations to make. First of all, I should like to congratulate the minister on the freshness of his approach to the Post Office Department, the zeal, drive and initiative which he has brought to that department. I sincerely hope that this initiative, this great spirit of his, will permeate right down through the ranks to the men who deliver the mail at our doors. I congratulate the hon. gentleman on instilling this fresh outlook into the department.

By the same token I am rather surprised that the minister, who has had a tremendous background in the business world, and who has made an outstanding success of a private business he operated, should have introduced into this house the idea that you can charge more and provide less service. This seems an unusual idea to come from a man who was professor of economics, or director of the school of commerce at McGill University. I cannot imagine any company or corporation which was engaged in any competition whatsoever, proposing to raise its prices and give less service at the same time. But this is what the postmaster is asking us to accept. Can you imagine, for instance, the Ottawa Transportation Commission raising its fares and at the same time taking buses off the routes, or abandoning routes altogether? It is hard to imagine anything like that happening.

I congratulate the minister upon incorporating into this bill some of the recommendations made by the public accounts committee. These recommendations were made time and time again, but it has taken this new postmaster to incorporate them in a bill. One of the recommendations was that second class mail rates should be increased in order that the post office might at least break even in this operation, while not necessarily showing a profit.

Then again, there was the suggestion by the committee—it was a suggestion rather than a recommendation—that the post office savings department be abolished. There was a third suggestion or recommendation to the effect that the Post Office Department be made into a crown corporation. I am sorry the minister has not taken this suggestion under serious consideration and recommended making a crown corporation out of the post office. Had he introduced a bill along these lines I believe it would have proceeded satisfactorily, and that the post office would have been placed on a sound, businesslike basis, with all the political atmosphere taken out of it.

What has happened in the last three years? How serious is this financial loss of which the minister speaks? Only three short years ago the post office showed a profit of $20 million. Even after deducting sums in respect of services supplied by other government departments, and adding a credit in respect of franked mail, the deficit amounted to only $11.5 million. The deduction included sums in respect of rents for accommodation supplied by the Public Works Department, a charge for accounting and technical services, contributions for superannuation, the Canada Pension Plan, and employees' compensation. Added on the credit side was $4.3 million in respect of franked mail sent by the departments and by members of parliament.

• (4:00 p.m.)

What has happened in such a short time? I realize costs have gone up. I appreciate the circumstances which have followed the settlement of the strike. But surely this does not account for the $100 million that the Postmaster General is talking about. Post office sales have gone up considerably during the last three years. Why should we be talking in terms of a $100 million deficit? Is the Postmaster General tacking on millions of dollars for depreciation of equipment? Is he adding on service charges for other departments? These are some of the questions we would like to ask in committee.

The other day I read in a newspaper that a Union Nationale frontbencher in the Quebec legislature nicknamed our Postmaster General a lemon squeezer. Here he is still squeezing lemons. This might be justified, but he is suggesting rates that, from what we have

been told, appear to be too much and too quick.

We realize that the Glassco commission on government organization made certain recommendations concerning postal rates, but none of those recommendations suggested such sizeable increases in second and third class rates as the minister is projecting. The commission did recommend that revenues and expenditures in the post office should be related, and said tolls should be fixed at levels that permit recovery of total cost, but the commission found that the actual loss was mostly on second class mail, and the other classes were operating close to the break-even point.

I think the minister has gone overboard on some of these new rates. It appears that the loss on third class mail has been minimal. Therefore it is difficult to understand the action of the post office in providing a 66⅔ per cent increase in this class. Again I say it is too much and too quick.

Let us look at the situation affecting the daily newspaper, that periodical which is all important to every Canadian. Everybody reads a daily newspaper in some form or another. The new rates will be five cents on the news portion and 15 cents on the advertising, and we must remember that daily newspapers have been paying about 30 per cent of their cost of delivery. The Postmaster General wants to jack this up to approximately 80 per cent, an increase of 165 per cent on the present rate. It is too much and too quick; and he wants this by April 1.

A lot of newspapers across the country have been conducting subscriber contests, increasing the number of their subscriptions for the coming year. Now they are in a position where they must honour their subscription rates, even though their postal delivery rates will be increased. In effect they are being asked to absorb this 165 per cent increase.

What will be the long-term effect on subscription rates? Normally they are now about $15 per year. I am told they will have to jump to nearly $25 per year, a $10 boost. I ask the Postmaster General, what would one do if he received a notice of a $10 increase for a newspaper subscription? I think one would be inclined to say, "Forget about it; I will get my news over the radio or television," two news media the operations of which this parliament subsidizes. What will happen is that newspapers will pass on this extra cost to advertisers, and they in turn will pass it on to the customers who buy the advertised products. This government is responsible for throwing another log on the fires of inflation. This cannot do anything but increase inflation.

Let us compare what the Postmaster General is asking the other news media to do. Canadian magazines like *Maclean's* are going to be asked to step up their share of postal expenses by 136 per cent. *Reader's Digest* will have an increase of 100 per cent. But *Time* magazine, an American publication printed in the United States, which comes into Canada in competition with our own Canadian magazines, will be asked to increase its postal costs by only 59 per cent. I cannot understand this. Why should an American magazine get off as easily as that?

It would appear, Mr. Speaker, that whether we like it or not we will have to accept these increases that the Postmaster General has put before the house. With a majority government they will be carried. We will have to accept that, and everybody who goes into a post office to use Her Majesty's Mail service and buys a stamp will be obliged to take it at the new rate.

Businesses all across the country will have to absorb the increases. All customers of the post office will have to pay them, from the operator of a one-man business who mails out his month end accounts hoping they will be paid by return mail, so that he can meet his own already high bills in order to stay in business, to the large mail order houses, and even to the fellow who writes a letter to his sweetheart.

If we are going to have to pay these new rates we are entitled to better service. I am at a loss to know why the minister's predecessor and this government did not institute efficiency measures, did not step up productivity in the Post Office Department, and did not put into force those measures which the Postmaster General outlined on the resolution stage. Had all this been done, maybe we would not now have such large increases in the rates.

The Postmaster General said he would close down smaller post offices, amalgamate rural routes, establish distribution centres, instal mechanized mail handling, introduce containerization, have letter carriers use small trucks, and implement a new sorting system in large urban centres. I am sure he has in mind the zip code system which is used with great efficiency in the United

States. He also mentioned the possibility of making the post office a crown corporation. Had all these things been done long ago by his predecessors it might not have been necessary to introduce such drastic increases in postal rates.

• (4:10 p.m.)

With the new rates, Canadians will be in a position to demand service, but I have not heard the Postmaster General guarantee that we can be assured of next day delivery. The way mail deliveries have been going of late I am inclined to think we had better mail service when delivery was by stagecoaches. A letter mailed from within a radius of 60 miles of Toronto or in that general area might arrive in Toronto the next day, or it might not arrive until four days later. Sometimes a letter mailed from Toronto and addressed to my community of Guelph, 60 miles away, does not travel any faster than it did in the days of the stagecoach. Sometimes a letter mailed in England will reach my area more quickly than a letter mailed from Toronto. We will be looking forward to an improved service. We will be looking for next day delivery in all possible cases.

What will the situation be in respect of the five day delivery service? I wonder whether the officials in the department have realized that all our national holidays fall on a Monday. On Tuesday the poor courier will have to deliver the mail for four days, Friday, Saturday, Sunday and Monday. He will have to lug this around to my house and yours. Already he is complaining about having to carry a bag which is too heavy. What kind of service can we expect when the mail for a period of three or four days will have to be delivered in one day.

We might consider also the situation in respect of the retail stores, many of which close on Mondays. This is a situation which is very common across Canada. So, under the new system, in the downtown section of the cities a four day volume of mail will have to be handled on one day. I can conceive of many problems in respect of next day delivery; we are likely to have a two or three day delivery. What will the situation be with regard to doctors, lawyers, and others who depend on good mail service?

Then there is the situation concerning bills of lading. A railway car which is sitting on a siding cannot be unloaded until the bill of lading has been received. That car might be loaded with perishable goods. The person who has ordered those goods will be in an unfortunate position because he will have customers waiting. I am sure the answer will be that these places of business should be instructed to rent lock boxes in the post office, so that they would be able to pick up their mail daily. This will not solve the problem, because at the present time it is very difficult to rent a post office box when such boxes are in short supply.

The statement given to us by the Postmaster General shows that for the year 1968-69 there will be a loss of $2½ million in respect of post office lock boxes. If we were to step up the use of these boxes we would probably lose more money. These are some of the situations which I believe will develop under the five-day delivery system, and if efficiency, productivity, and other things are not introduced into the operation and policies of the Post Office Department.

Not too long ago an increase was introduced in relation to special delivery letters. A special delivery letter should be delivered to the addressee as soon as the post office receives it. I am told, however, that shortly after this increase in price became effective special delivery letters would go out on the regular route if the delivery in that area happened to be in the morning. If the delivery happened to be in the afternoon, the letters would be sent out by special courier. This is an example of where the price went up and the service went down. I am told this is what happened in this situation.

I received a letter from a merchant—and he has the facts to back up his case—who told me that a parcel post package took six days to reach him in Guelph, mailed from Toronto, 60 miles away. During the Christmas period a person in Guelph must allow seven days for a parcel post package to be delivered in Toronto in time for Christmas.

In closing I should like to say a few words about the philatelic division of the Post Office Department, and take this opportunity to thank the Postmaster General and the officials in his department for having produced a very nice looking and much appreciated memorial stamp in honour of the late Lieutenant-Colonel John McCrae. This was well received by the veterans of this country and I am sure by every Canadian.

Some hon. Members: Hear, hear.

Mr. Hales: I am informed that this branch of the Post Office Department has a turnover

of about $1¼ million a year. Most of this represents a profit. Because of this one might be led to suggest that we should be turning out some of the most attractive stamps that could be made. I am sorry to say, however, that Canadian stamps do not compare with those of other countries. Take a look at the stamps of Jamaica, Antigua or some of the other Caribbean countries. These are beautiful stamps with clear and crisp colours, and a pleasing photograph. They are real treasures for anybody who is in the business of collecting stamps. I believe the Post Office Department could do a better job in the production of stamps, and I am sure that the philatelic branch will be imbued with the zest and zeal of our new Postmaster General, so that we will have some of the best looking stamps in the world. I see no reason why Canada should not have stamps that are as attractive as any in the world.

Finally, I should like to say that I am opposed to this very important bill being passed until it has been considered by a committee. I am also opposed to the principle of increasing charges and reducing services. It is not good business, nor can I understand why anyone would wish to do it. I am sorry the bill has not been introduced in another form. I would like to see the post office become a crown corporation.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we are now discussing the Post Office bill and, in my opinion, this discussion is taking a very interesting direction, to judge from the speeches made these last few days. In fact, the majority of the members are blaming the government for putting the cart before the horse.

Mr. Speaker, let us refer this bill to a committee. The minister already said some time ago that a group of experts of his department are studying the reorganization of the Post Office Department and rethinking completely the structure of that department, in case it were to become a crown corporation. If this measure is passed, it will render our discussion and this bill absolutely worthless, since the whole concept of mail service in Canada would be completely changed.

Mr. Speaker, the minister would like us to pass his Post Office bill in a hurry, before we learn the results of this study. I find the attitude of the minister rather strange; he is putting the cart before the horse and serving interests other than those of the Canadian people, since, if this bill is passed, the cost to the Canadian people will be increased, without knowing whether another study may not be undertaken in a year or in two or three years to determine whether or not the Post Office Department is to become a crown corporation.

Mr. Speaker, the matter is serious indeed. With regard the possibility of the Post Office Department becoming a crown corporation, I tried to obtain some information on the subject recently, but the minister did not answer when I asked him whether experts are really studying this matter. I would like the minister to confirm it now, since the question was declared out of order on October 22, as may be seen from page 1647 of *Hansard*. I therefore ask the minister again to tell us whether studies are really being conducted at this time, in order to ensure that this bill has a solid base.

Mr. Speaker, an article published in the newspaper *Le Devoir* dated May 23, 1967, reported as follows:

President Lyndon Johnson set up a special commission to study the reorganization of the U.S. Post Office Department and its eventual replacement by a government corporation.

We see the same conclusions, the same evolution, in many countries.

Here, in Canada, we had the Anderson report in 1965. The same article also mentioned this report, and I quote:

In his report dated September 27, 1965, Judge Anderson made the following comments: "While I was trying—

Here comes the interesting part.

"While I was trying to determine whether the postal employees' salaries were fair and reasonable, I began to ask myself whether it might not be indicated, in order to ensure better postal services in Canada and to meet the needs of the people who operate it, to hand over its administration to a Crown corporation."

Judge Anderson goes on to give the arguments in favour of turning the Canada Post Office into a Crown corporation:

1. Postal employees constitute a distinct and homogeneous group; they would readily constitute an appropriate negotiating group.

2. The postal service earns the major part of the income used to pay its employees.

3. Postal employees are, for the most part, semi-skilled workers and because of this there is great similarity between their group and labour unions in industry.

• (4:20 p.m.)

Judge Anderson continues his eight-point demonstration to prove beyond a doubt that the problem in the Post Office Department is not one of deficit but one requiring the reorganization of its whole structure.

In addition, Mr. Speaker, we have also had in 1966 the Montpetit report. I quote:

> As a result of persistent uneasiness within the Post Office Department, the government set up a royal commission of inquiry on working conditions in the postal service, known as the Montpetit Commission. That commission submitted its report in Octber 1966. Amongst its 282 recommendations—

This excerpt reveals how disorganized the department is. The commission made several recommendations about the advisability of turning that department into a crown corporation.

All that goes to prove without any doubt, Mr. Speaker, that the problem now facing us is a basic one. It is a matter of whether the Post Office Department should remain and continue to operate as it does now, that is as a government department, or if it should be turned into a crown corporation with a mixed economy.

I think, Mr. Speaker, that it would stupid for hon. member to pass the present bill when they know that before long everything will have to be done over again, because the present structure of the Post Office Department will be obsolete. It must be adjusted to the conditions of a modern economy.

Mr. Speaker, this point deserves a thorough study, so that it is possible to decide whether every dollar taken from the taxpayer is well invested and brings in the maximum return.

I think there is a great deal of waste in the federal administration. The budget speech of last night proved it clearly, with its deficit of $760 million; it is a proof that our economy is in recession. That is why Canadian taxpayers are looking towards this parliament from which they expect immediate solutions.

However, Mr. Speaker, they pass the time bringing in useless bills. Moreover, the minister has now the following alternatives: either act as an administrator or put money first and tell us: "The Post Office Department must at all costs avoid a deficit." Such a position could be justified; I admit, but if at the same time the minister interferes with the basic rights of each Canadian citizen to be informed, I say that he does not then merely deal with a moral problem but also with an administrative matter and that he must alter his positions.

What astonishes me, because I always held him for a trustworthy man, is that the minister is always trying to force the opposition to side with the financial powers, instead of siding with the people. This beats me and I cannot understand it. The opposition would have to be blind to allow a bill like this to pass.

Mr. Speaker, my impression is that this bill has been drafted by high officials of the Post Office Department, who have abandoned their own rights as citizens, in order to enter the civil service. They have no political opinions other than those of the government which they consider to be the best, and they say to the minister that it is absolutely necessary to do this. Then the minister says: that is how it must be. Our minister is a blind man guided by other blind men and when a blind man is guided by blind men, only one thing can happen: people are knocked about and deprived of their fundamental rights.

When we read the many telegrams we receive every day from all parts of Canada, when we read the briefs, the newspaper articles, and the letters we receive, when we meet people, we realize that, from coast to coast, there is a general outcry against the bill since it puts the cart before the horse, and asks us to take a stand even though we do not know exactly whether the Post Office Department should not change its constitution.

I refer here to a very interesting editorial published in the October 17, 1968 edition of the Quebec newspaper *Le Soleil*, and signed by Mr. Raymond Dubé, an excellent journalist who confirms what I have just said, and I quote:

> From the strictly economic point of view, the attitude taken by the Post Office Department is understandable, but its position becomes absolutely unjustified and untenable when it places the economic soundness of a state-provided service above the respect for a principle as unquestioned today as the obligation for a democratic government to ensure that the whole population can fully exercise its right to be informed and to eliminate anything which may directly or indirectly interfere with that right.

At this stage, I should like to state, with supportive evidence, that the bill now under consideration is interfering very seriously with this fundamental right to information of every Canadian citizen.

Mr. Speaker, there is another point which I must make at this stage of the debate. It concerns the extremely critical situation of Canadian weeklies, and particularly those of Quebec, which are small papers with small resources and which, in many cases, are the only real source of information available to the population.

Mr. Speaker, I have here an editorial taken from the October 16 edition of the paper *L'Union*, which is published in the Eastern

Townships, signed by Mr. Marcel Rivard, a journalist from Victoriaville. I should like to read it to the minister, that he may know what the people think of him. All the hon. members have expressed the views of their constituents during our consideration of this bill, and I think the minister should know what the people of the riding of Lotbinière think of his bill. The editorial written by Marcel Rivard is entitled: "A stab in the back for the weekly papers".

The title alone gives us an idea of the atmosphere which prevails among the people. I quote the article in question:

The local weeklies seem prepared for an increase in the postal rates but they object to an increase which will triple the cost of their postal charges.

Mr. Speaker, it is obvious that under the present system, the government solutions can be but increases, increases and again increases of rates and taxes and it is always the little wage earner who foots the bill. Besides, as we saw again last night in the budget speech, the small wage earner will again pay more taxes for the benefit of the rich.

The bill introduced by the Postmaster General (Mr. Kierans) certainly does not find favour with the Quebec weeklies—and I should like the minister to listen to me—no more than with the dailies who will have to cut out their Saturday delivery. And Mr. Rivard continues:

Who will suffer from that bill, if it passed such as it is, if not principally the rural areas?

I have to mention that Marcel Rivard writes in several weeklies of the Bois-Franc and the eastern townships areas.

And that is why the weeklies including the eastern townships newspaper *L'Union*, do not agree with Mr. Kierans.

In fact, it is believed, and rightly so in some quarters, that the new Postmaster General considers his department as a business which must at any price show a significant profit at the end of a fiscal year—

And I add: even at the expense, of the Canadian citizen even if he knows it.

—as to the weeklies, they think that it is exactly the opposite—

For more than a decade, we have seen state television take away from them a more than significant portion of the so-called "national" commercial advertising—

Through state television which we finance with the taxpayers' money.

—because, with its system, television has crept in every area in Quebec and its penetration rate in the homes is quite high. However, the question is whether state television has succeeded in taking away the exceptional role of the weekly which is to reflect the life of a community; it has not, and never will—Of the two, the television and the weekly, which is then the stronger?

• (4:30 p.m.)

Mr. Speaker, Mr. Marcel Rivard replies quite objectively.

The weekly paper.

Yesterday, the hon. member for Richmond (Mr. Beaudoin) made a very interesting and well documented speech. He explained the situation I have described, from another point of view. He listed a number of weeklies which are faced with problems and, here again, the minister makes no answer and keeps urging us to pass his bill.

Mr. Speaker, it is unthinkable that, in 1968, we have to tolerate a government which, to the knowledge of everybody, proves dictatorial to the point of imposing its views upon the people, in order to pave the way for a socialist regime.

Mr. Marcel Rivard continues and I quote:

It would seem that is not his intention, even less that of the minister Kierans, since the new legislation as introduced, without any precise wording, in the House of Commons constitutes—that is what is unfortunate and inadmissible—a stab in the back for the weeklies, a mortal wound for some of them.

And if tomorrow, Mr. Speaker, some weeklies, such as *L'Union des Cantons de l'Est, le Nouvelliste, Le Courrier-Sud, L'Echo de l'Abitibi, La Frontière*—and many more since there are over 150 in Quebec alone—are forced to fold, the population will have a right to say: If we lose our regional means of information which created a certain climate in our area and among us a feeling of friendship, which preserved our strength and vitality, it will be the fault of the nice and big Liberal party, it will be the fault of a nice and big majority government, it will be the fault of a group of Liberal members who will have lacked the courage to rise in the house to protest against measures that they know are drastic ones. They keep their seats and remain silent although they know what repercussions they might have. That pleases me to a certain extent because it shows the population that only members without any financial ties, free as the air they breathe—there are fourteen in the house, the members of the Ralliement Créditiste—who can stand up for private enterprise and the people in general.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Fortin: Some government members are now trying to interrupt me; it would be so easy for them to rise and speak. They have the right to do so because we live in a democratic country. Let them rise and say what they think of the Postmaster General, what they think of the bill.

Mr. Speaker, I received in my office a telegram from *Le Soleil* and three times, telegrams from the Quebec *Chronicle Telegraph*. I also received telegrams from *L'Union des Cantons de l'Est*, from *La Tribune*, from *Le Nouvelliste* of Trois-Rivières and as the leader of the Ralliement Créditiste said, from nearly all Quebec newspapers. All members are aware of that situation. We do not want the Prime Minister (Mr. Trudeau) and the government to think that we will accept that without any protest.

Mr. Speaker, we must wake up. It is about time that we assume our responsibilities in that field as in others. The minister said today, and I will conclude my remarks with that: I urge you, hon. members of the opposition, to pass my bill to reduce the cost of public information, so that the Post Office Department can balance its budget and make some profits like private enterprise. I implore you, help me to save my department from failure. And in a year, to the day, the same minister—if he is still in Ottawa, and I doubt, because his popularity is rapidly declining—will say to us: I beg of you, vote my estimates to make up for my deficit. That is what we have seen last night.

A few months ago, Mr. Speaker, the Minister of Finance, now Secretary of State for External Affairs, (Mr. Sharp) told us: I beg the hon. members of the opposition to give me the authority to borrow money to make up for my deficit, and I guarantee that with an increase of 5 per cent in taxation, we will not have any deficit.

Last night, a speech of more than 11,000 words was needed to repeat this rubbish that we have known for a hundred years: I beg of you, vote my estimates, we have a deficit of $760 millions.

Mr. Speaker, I have taught school at the primary and secondary levels. I even taught children in an occupational centre, that is mentally retarded children. I would not go so far as to say that the house is made up of mentally retarded people, let me be clear on that; but I say that the house reacts in the same way before such tremendous deficits, and the government seems to think that we of the opposition, are completely irresponsible.

At this stage of the debate, I want to tell the government that it must reconsider its decision without any political sentimentalizing, because the Post Office bill would stab the weeklies in the back. I therefore ask him to review his decision, bearing in mind the well informed speeches of the members of the opposition and the incalculable representations made every hour and every day of the week. I ask him to pay particular attention to the thousands of letters we receive. I ask him to acknowledge a principle has never been disputed, that of an objective information in a democratic land.

Consequently, we would like, as would the whole population, not only from Lotbinière or the eastern townships in Quebec, but from all Canadian provinces, to see the minister, for one or two more months, refer the matter to a committee, to which members of the government party, Progressive Conservatives, New Democrats and the Ralliement Créditiste could invite witnesses. For example, such newspapers as *Le Soleil, Le Nouvelliste*, the Quebec *Chronicle Telegraph, Le Manitobain*, or others as *Le Patriote* and *Les Quotidiens du Québec Inc.* could be asked to express their opinions, so that officials would have plenty of time—since they like that—to study the possibility of transforming the Post Office Department in a Crown Corporation. If we do not do it today, we shall have to start all over again tomorrow. So, why not get at it right away?

• (4:40 p.m.)

I am therefore asking the minister to reconsider seriously his decision and to comply with the wish of the opposition thanks to his majority and to his authority, by referring the bill to a special committee which could thoroughly study the matter, and make the right to information prevail, while enabling the Post Office Department to provide an intelligent service without a deficit.

I believe that both are reconcilable Mr. Speaker; I think that it is possible to have a Post Office Department which would not incur a deficit and a right to information which would be respected and protected; in my opinion, both are possible. However, up to now, it seems to be impossible. Why? Because we do not take the necessary means and do not discuss the matter. What about the Montpetit report published in 1966 and the Anderson report published in 1965? What about the Carter report and the Royal Commission of inquiry on Banking and Finance?

What about the Glasgow report? Those enquiry commissions have costed millions of dollars and with what results, I am asking the minister? With the results that their reports have been shelved. Years have passed, governments have passed and the said reports still are there accumulating dust.

When the government becomes conscious of a gathering storm, when it feels that the atmosphere is unsettled, that people are dissatisfied then some representative of the government stands up and with a big smile, like the hon. Minister of Industry, Trade and Commerce, (Mr. Pepin) he tells us that a royal enquiry commission will be established. Then they appoint judges, or people like Mr. Jean-Louis Gagnon, an ex-communist, and they conduct an inquiry to quiet the storm. Once people are satisfied, they say: Ottawa is moving. The government is happy. An enquiry has been made. Some people climb on the gravy train, at the expenses of the taxpayer thanks to incredibly high salaries. Those inquiries cost $20,000 or $25,000 a year. I am told that it even costs $100 a day to delve into a matter, to solve a problem, to study it, to read briefs, receive them, hear the witnesses and, once the inquiry is closed, hundreds of thousands of dollars are paid out again. The printers are paid to publish the reports. We saw what happened to the B & B report for instance, and the Glassco report, the Carter report, the Porter report. They were consigned to oblivion. When the storm is over and peace has been restored, there is a rush to put away on dusty shelves a report which deals with a specific situation. Meanwhile, restrictive, negative measures are introduced which give nothing to the Canadian people, which on the contrary deprive them of the daily bread to which they are entitled, which is known as information, and which is a fundamental right in a democratic society.

Mr. Speaker, I feel that the situation is extremely serious at this point, and if the minister maintains his absurd and untenable position, tomorrow we will witness an information crisis, a crisis involving the right to free speech, to freedom of the press. Who knows whether tomorrow perhaps the freedom of the press may not be attacked by the same majority government? Who knows? Perhaps the right to vote may be attacked by the majority government since that same government is buying votes. Who knows? Maybe this very government will attack the freedom of the press or the freedom of expression.

Mr. Speaker, I think the situation is extremely serious. It should not be considered as a sentimental issue but rather as a matter of reasoning. As to whether or not it is more important that the Post Office Department should pile up deficits or that the right to information should prevail and should be fed, I then say that priority is self-evident and that we must keep on feeding public information rather than cut it to the heart as the minister is doing, arguing that the question of money must come first so that he may tell the opposition next year: Would you please, I beg you, vote more credits for me because my plans did not materialize and I come back with empty hands and facing another deficit.

As far as I am concerned, Mr. Speaker, I tell the minister he has no conscience if he comes back one year from now—it is obvious that the bill will go through since this government is authoritarian—and if he asks us to vote credits for him, because his department shows the usual yearly deficit. I will tell him then that he is unscrupulous and that he has made a complete about-face.

I should like the minister to consider that. All members, even the government members, would be glad to sit on a special committee to examine more thoroughly the situation in the Post Office Department so as to update that department and render it more profit-earning, in order to serve more adequately the Canadian people, since after all it is always the Canadian people, the Canadian citizen, the little man who has to pay for the damage done by a high-handed majority government.

[*English*]

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I rise to speak on this amendment, Mr. Speaker, because I feel very strongly about the impact of this bill on the Canadian people. The proposals contained in Bill No. C-116 will have a direct bearing on all Canadians, rich or poor, and will hit their pocketbooks. In common with other legislation so far produced in this just society, this bill will hit the low income Canadian the hardest. At the outset, I should like to concur in the remarks of my colleague the hon. member for Hillsborough (Mr. Macquarrie) made in this house on Monday. I, too, question the accounting procedures of the Post Office Department, and wonder if the financial picture is as bleak as it is being painted.

Several questions come to my mind. Is the Post Office Department being assessed for charges which should be assumed by other

departments of government? Has every operation of the department been thoroughly studied, and the waste and fat cut out? I will be the first to admit that costs have gone up—and this seems to be a way of life under this government.

As a businessman, however, I also know there is no pat answer to eliminating a deficit. It is fine to say, "I will just raise my price". I believe the Postmaster General (Mr. Kierans) will agree, however, that it is equally important to re-examine operating expenses, to eliminate unnecessary expenditures, but without reducing the quality of the service you are giving your customers. This is why we, on this side of the house, have proposed that this bill be referred to a standing committee, where the whole operation of the department can be analysed and suggestions made to eliminate any unnecessary expenditures, to develop and promote new sources of revenue and new types of service.

Many suggestions have just been made by my colleague the hon. member for Wellington (Mr. Hales) and I feel these are worthy of consideration. If this bill is pushed through the house in its present form, it will mean reduced service for large sections of the Canadian public, especially the rural mail subscriber who cannot afford to pay the increased subscription rates that will result. In my opinion, this is just another in a series of retrograde measures by which the post office has steadily cut down its service to the Canadian people. In no other field have Canadians experienced so drastic a reduction in service, coupled with an enormous increase in rates. In no other field do Canadians pay so much more for so much less.

If this bill becomes law, Canadians, in this age of expansion and acceleration, in this swinging society, will end up with a mail service that is slower, less frequent and less convenient than that enjoyed by a previous generation in the horse and buggy age. In return for this service, we will be asked to pay an exorbitant rate which has increased in inverse proportions to the service provided. One cannot help but wonder if the post office millenium will be no mail delivery at all, at enormous public expense.

Some of the statements made by the Postmaster General in support of this bill have been confusing, to put it charitably. Last week, in answer to a question in this house he said, as reported at page 1150 of *Hansard*:

> —our present subsidy to newspaper publishers amounts to approximately $37 million.

[Mr. Thomas (Moncton).]

• (4:50 p.m.)

I have tried, Mr. Speaker, but I cannot understand this statement. Surely the minister will admit that if any subsidy is involved it is being given to the rural mail subscriber, not the publisher.

Let me quote from an editorial in the Moncton *Transcript* for Wednesday, October 16. This editorial is captioned "Let's keep the record straight!", and is as follows:

> In order for the publisher to receive the subsidy, he would have to charge the rural mail subscriber the same as the carrier delivered subscriber and pocket the difference between what it cost to deliver by mail and by carrier. But this he does not do and Mr. Kierans does not seem to understand this fact.

This is not an isolated editorial opinion. The implication is plain: if this bill passes and the so-called subsidy is reduced, any increase in mailing costs will be passed on to the subscriber in the form of increased rates, though these higher rates will still not meet the increased cost of delivery. We have heard various estimates of increased cost, some being as high as 400 per cent, but it seems fair to say that the increases will be so great that subscription rates will be raised by as much as 40 per cent. This could mean a drastic drop in rural subscribers, with severe effects on weekly papers and those dailies which have a large rural subscriber list.

The *Globe and Mail* for Friday, October 11, reported that this could be a death blow to such papers. It could mean that papers of this type would no longer effectively cover rural Canada. This would be another of those retrograde steps to which I referred earlier; and if the reduction of the so-called subsidy to the rural subscriber puts the price of the newspaper beyond his reach, the government alone must bear full responsibility.

I find it hard to accept the position that the rural mail subscriber must pay the whole shot for his daily or weekly newspaper. Does not the fact that the government is prepared to pay the deficit of the C.B.C. out of general revenue establish the principle that the right to be informed in this country does not have to be borne by the individual alone? Why should there be a distinction between different forms of news dissemination? The hon. member for Brandon-Souris (Mr. Dinsdale) has expressed this very well, and I echo his sentiments.

Running all through the defence of this bill by hon. members on the government side of the house, Mr. Speaker, is the inference that the effect of the legislation will be to soak the

corporations, the publishers, the mail order houses, the businessmen. The Postmaster General has already announced increased rates for third class mail to become effective November 1. The inference has been that this will eliminate a lot of junk mail, or at least force it to pay a larger share of the costs involved.

This is fine; if the new rates do eliminate a lot of this nuisance mail, I will be the first to congratulate the Postmaster General. But my concern is for the legitimate mail order houses, those firms that have played such a large part in building rural Canada, and are even yet an integral part of the Canadian way of life. Under these new rates they get a double jolt—the double whammy, as my colleague from Hillsborough (Mr. Macquarrie) so aptly put it. The cost of mailing their catalogues will show a large increase, and the cost of mailing merchandise orders to their customers will be increased approximately 50 per cent. Now, how will they absorb these increased costs of doing business? I suggest to you, sir, that they will not absorb them but instead pass them on in increased prices to the consumer.

So here we have it: No matter how you try to camouflage it, the end result will be the same. In the final analysis, the public pays. Let us not try to fool anyone. The net result of this bill will be to increase the cost of living to those who can least afford to pay it—the average consumer. This is why we on this side of the house feel so strongly that this bill should be submitted to a committee for a full and complete analysis of all the problems involved. We cannot understand the minister's great haste to ram the bill through the house. Why does he not want a thorough study of the department? To return again to the editorial from which I quoted earlier:

> Further, Mr. Kierans does not seem to want to have these points brought to light by committee study. In spite of repeated opposition demands he has steadfastly refused to refer this matter to a Commons committee where all this would be revealed.
>
> Canadians have long wanted a majority government which would be a strong government. Is this an indication that instead of a strong government they have an autocratic government?

The Postmaster General's argument seems to stand on one premise—that every department of government must pay its own way. I submit that this is a false premise. There are certain services that every Canadian is entitled to, and if necessary these must be subsidized out of general revenue. This government, and every government before it, has recognized this principle in the case of the C.B.C., the C.N.R. and the Department of National Defence. Can the government now say to the Canadian people: "You can only use the postal services if you are able to pay for them"?

After listening last night to the Minister of Finance (Mr. Benson), it is apparent that this government expects the small wage earner to pay the whole cost of the just society. But surely he should have some choice as to how his money should be spent. Let the Postmaster General prevail upon his colleagues to cut out some of the waste and trash from the C.B.C. The millions saved could be applied to the postal deficit, and he could earn the thanks of thousands of Canadians.

The Acting Speaker (Mr. Béchard): Order. It being five o'clock p.m. the house will now proceed to the consideration of private members business, as listed on today's order paper, namely notices of motions, public bills.

SOCIAL SECURITY

EXTENSION OF EXEMPTION PERIOD FOR MIGRANT AGRICULTURAL WORKERS

Mr. William Knowles (Norfolk-Haldimand) moved:

> That, in the opinion of this house, the government should consider the advisability of extending from 25 to 40 days the exemption period for social security, unemployment insurance deductions and taxation deductions presently allowed in the case of migrant agricultural workers.

He said: Mr. Speaker, I rise to speak to a motion which has very important implications for that part of the country from which I come and, indeed, for all employers of agricultural labourers and workers throughout Canada.

In speaking to this motion, Mr. Speaker, I should first like to review very briefly some of the background that led up to the regulations with which this motion is concerned. In the 1930's massive unemployment swept across our country, placing hundreds of thousands of workers in a very unenviable position and causing them undue hardship. As a result, Mr. Speaker, successive governments sought some means whereby this hardship could be prevented from recurring, and in their wisdom in August, 1940 a system of unemployment insurance was introduced in Canada. The unemployment insurance commission was set up to administer the plan, Mr. Speaker, and in July 1941 employers began to make the required deductions from

workers' wages. However, it was not until just recently, in July 1966, that further deductions from workers' wages were made for the purpose of the Canada Pension Plan.

• (5:00 p.m.)

At the beginning, these regulations, privileges and benefits were made available only to workers in industry, and they exempted groups of workers in agriculture, logging and so on. When farm organizations saw the disadvantage under which agricultural workers laboured, agricultural workers in the meantime being more difficult to obtain because industrial production had increased in this country, those farm organizations sought some avenue whereby they might make applicable to farm workers benefits similar to those that had been given to industrial workers. Accordingly they presented briefs to the government of the day, and eventually these plans were made available to agricultural workers. Effective on January 1, 1966, at the time when the Canada Pension Plan was introduced, agricultural workers had to pay deductions from their wages.

The second page of the pamphlet distributed by the government when the Canada Pension Plan was put into operation reads in part as follows. The heading is, "Employment Not Covered", and this relates specifically to my resolution. Underneath the heading are found the following words:

> Employment as a migratory worker—in occupations like farming, fishing, trapping, hunting, logging—where you work less than 25 days a year for the same employer or where you earn less than $250 a year from the same employer;

In April, 1967, the unemployment insurance legislation was extended to cover agricultural workers. The directive which was sent to all employers of farm labour on August 24 reads in part as follows:

> —Unemployment insurance regulations—

—and this refers to agricultural workers—

> —have therefore been changed to bring them in line with the provisions of the Canada Pension Plan as they pertain to the payment of contributions for casual agricultural workers.
>
> A temporary or casual employee in agriculture or horticulture is one who earns less than $250.00 in cash wages and works for less than 25 days in a calendar year. Effective immediately such an employee is not insurable.

Plans such as this that apply to agricultural workers have been in operation for two seasons. It is time for government officials charged with the administration of such plans to make an assessment of the success of their operation. I propose to outline to hon. member some of the results which have become apparent in these two years of operation, and I wish to suggest ways in which improvements may be brought about.

I must say that government officials charged with the responsibility for putting into operation these plans took steps to make farmers well acquainted with the way in which the schemes would operate. Employers of agricultural labour do not quarrel with the provisions that are made for those who work permanently on farms—that is, for those who work a whole season. Farmers are happy to see such workers receiving benefits. My resolution has to do only with migratory workers.

At meetings sponsored by the departments of agriculture in the provinces the government made its position clear. I myself attended a meeting in our organization to familiarize myself with the farmer's part in the operation of this plan. Officials from the Unemployment Insurance Commission and from the area taxation offices came to these meetings, explained the plans to farmers, and heard complaints and objections, which were many. As a matter of fact I felt sorry for officials who tried to explain this complicated legislation to our farmers. The standard answer from these people to farmers' objections was, "We do not make the laws; we only interpret and enforce them. You will have to talk to your member of parliament".

I am now speaking to the government and asking it to recognize our farmers' problems. With the utmost sincerity I plead with members of the government charged with administering these plans to heed what I am about to say.

First, the farmer lacks training in accounting, yet he is obliged, under the regulations, to keep all manner of records. He must show the wages paid, the days worked, how much is attributable to board and meals, since these items are counted as wages, and in addition, he must make deductions with respect to unemployment insurance and the Canada Pension Plan as well as income tax.

I know many farmers who are skilled in raising crops; yet they have not the remotest idea of accounting procedures or how to keep the simplest records. Also, the farmer just has not the time to devote to all these tasks. He himself will be labouring during the harvest season and he may not have time to look after his casual labourers. The farmer hires his labourers, some of whom may work only a day or two, and quit. He must replace those

workers by going to the marketplace. In my area the farmer will be looking for tobacco workers. In addition, farmers in my area have the task of curing tobacco.

One might ask: Why does the farmer not hire clerical help? It is not practical to hire clerical help for two months of the year; it does not make sense. Also, clerks are just not available. I have heard of accountants who hire themselves out to farmers; yet when the crisis comes, when the accountants are most needed, they are not available, not being able to spread themselves among all the farmers who have retained them. Farmers have neither the time nor the experience to handle that type of work. Even though the farmer may retain an accountant, he must still keep detailed records to turn over to that accountant.

There is also the matter of the lack of education, and the language problem. In the area I represent we have a great many so-called new Canadians whose mother tongue is other than English or French. Though they may converse reasonably well in English they have the greatest difficulty in understanding printed directions and instructions which arrive on their desks in reams almost every day.

Mr. Nesbitt: Seven copies.

Mr. Knowles (Norfolk-Haldimand): Perhaps the language difficulty is our greatest difficulty. I talked to one young farmer who had a successful farm, a modest home and a good income. But he was overwhelmed with the paperwork that daily came to his desk and he said quite frankly, "I do not know what all this means. They are going to come here and fine me because I could not fill out these papers." That farmer just could not understand what he was required to do.

Farmers resent being a collection agency for the government. In addition, they resent having to police the plans I am talking about. Many migrant workers bitterly resent having deductions taken from their wages. As a result the farmer is forced to make the deduction his worker does not like, and thus the farmer becomes a policeman enforcing the plan.

• (5:10 p.m.)

What is the effect on the workers themselves? I am speaking only of migratory workers, the people who go in for the harvest season. But there are others who help at these times, including housewives, students from the high schools and retired persons. These people resent the deductions and it is difficult for the farmer to induce them to work for him. And at the end of the 25 days, when he must deduct these sums from their wages, what happens? These workers quit their work and move to the next farm. Twenty-five days are exempt, you see; so they work for a new employer and are not required to submit to the deductions. The government therefore is not really making any money out of this. The department is not getting anything now, because the majority of these people will not work for more than 24 days before they move on.

Consider the situation in which the farmer is placed. His crop is in the field, and something must be done in order to recoup the money invested in it, to repay a bank loan which might amount to as much as $25,000. These farmers are placed in an unenviable position.

A word about the effect on students. It seems eminently unfair to deduct from a student's wages sums in respect of these special plans, when he is working only to finance his way through college or to build up savings which will enable him to enter college. On the one hand, governments are taking money from students, while on the other it is making available student loans to help finance their education. These people will never benefit in the majority of cases from the contributions they make and in any case the sums contributed are negligible.

The solution lies in the resolution I have offered to the house and to the government for consideration, a motion which asks that this exemption be extended from 25 to 40 days. This would allow all agricultural crops to be harvested without the red tape which the present situation entails. I am not asking this as an individual, or because half a dozen farmers have urged me to raise the matter. I am speaking on behalf of the whole of the agriculture industry.

I have before me briefs which the Ontario fruit growers and the Ontario tobacco growers have presented to the Department of National Revenue in Ottawa asking for consideration of the proposal I have made this afternoon. The department listened with great respect to the arguments presented to them, and I feel the officials and others were sympathetic. However, they said—and this seems reasonable enough—that the scheme had only been in operation for one year and that it was not government policy to make any changes

in legislation until it had been given a fair trial. I think the time has now come to make an assessment based on the facts I have laid before the house, facts which can be demonstrated in any number of instances.

In order to elaborate further as to the difficulties faced by farmers, may I be permitted to read into *Hansard* part of the brief which was presented to the department? How much time do I have left?

The Acting Speaker (Mr. Béchard): There are about four minutes left.

Mr. Knowles (Norfolk-Haldimand): This is what the brief said:

> It cannot be denied that to comply with the terms of The Canada Pensions Act, far more extensive farm records will have to be maintained. This will principally affect sharegrowers as well as farm owners. The bulk of the work will occur during harvest when the time for the bookkeeping can least be afforded. While large farm operators may well be able to cope with such problems, the smaller farmers, who form the bulk in numbers, will be hard pressed to do the necessary work.
>
> Producers will be insecure in their labour force, not knowing at the time of hiring whether an employee will quit before the 25 days or $250 limits are reached.

This refers to the $250. I am suggesting that we forget the amount of money and simply give a 40-day exemption. The brief goes on:

> At hiring, the farmer must decide whether to deduct Canada Pension Plan contributions or not. Will he be able to collect retroactively if he does not and the employee goes over the minimum? He must calculate allowance for board and lodging once $250 is reached. In all the general stress and strain associated with harvest, the time available for proper keeping of detailed books becomes a question of considerable importance.
>
> The ethnic groups also have a problem in that a number of farmers have difficulty with English and French languages.

Some of this is repetitive and I do not think I will burden hon. members with more.

In December of the same year the tobacco growers presented a second brief demonstrating their concern. In addition, I have here a petition signed by 204 farmers from different parts of Ontario, after my motion had been placed on the order paper. This is what one farmer had to say about the situation, and I quote him because it sums up what so many farmers think about this plan. I refer to Mr. Jack Gilchrist on whose land near Guelph the international ploughing match is held. This article appeared in the London *Free Press* of Saturday, October 12:

> Jack Gilchrist has become disenchanted with the extra workload placed on farmers through legislation in the form of workmen's compensation, unemployment insurance and Canada pension deductions for hired labour.

The article goes on to say that in order to be relieved of all the bookkeeping and red tape in connection with hired help Mr. Gilchrist has placed his herd under contract to another man. The article says, quoting Mr. Gilchrist:

> I am now relieved of all this bookkeeping. There's so much red tape with hired help (the deductions) its driving farmers out of the business.

Perhaps that is an exaggeration, but it certainly describes the feelings of the majority of farmers in this regard. The results of the changes proposed would be to remove some of the irritations which I have outlined. It seems to me that a good law should accomplish its purpose without causing undue vexation to those who are called upon to submit to it. These laws and regulations as they now apply to farmers do the opposite and create in farming people a disrespect for laws and regulations. The government has a responsibility to remove as many of these irritations as possible.

It might be argued that by taking the course I suggest the government would lose considerable revenue. But every farmer is willing at the end of the year when his crop has been harvested to fill out the T-4 forms in connection with income tax which show the total earnings of all his employees. Revenue authorities can then easily determine whether or not an individual should pay. The amount which the Unemployment Insurance Commission would lose is negligible, since this applies only to migrant workers. I am glad the parliamentary secretaries to some of the departments are here to listen to what I have had to say. I hope I have pleaded my case earnestly and sincerely, and I trust hon. gentlemen opposite will take note of these things because I can assure them they will hear more on the subject.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): I wish to give general support to the motion moved by the hon. member from Norfolk-Haldimand (Mr. Knowles). I have two or three points to mention and I hope I can do so in a constructive fashion which might strengthen the motion.

• (5:20 p.m.)

First of all, I wish to congratulate the hon. member for Norfolk-Haldimand. By this motion he is carrying on the tradition of his

predecessor, the former member for Norfolk, Mr. Jack Roxburgh, who along with members on both sides of the house expressed the concern of the farming industry to government and parliament. I am pleased to see that his successor is carrying on with the same type of arguments and constructive proposals that characterized Mr. Roxburgh.

The motion itself is somewhat broader than the argument used by the hon. member for Norfolk-Haldimand. I think it is pretty difficult to deal with this matter in isolation. By that I mean it is difficult to do anything constructive by referring only to the regulations of the Unemployment Insurance Commission, which were used as the basis for my hon. friend's remarks. As I say, the motion itself is much broader than his remarks.

It calls for—

—extending from twenty-five to forty days the exemption period for social security—

Within that context I am sure it is really referring to the Canada Pension Plan and to unemployment insurance deductions as mentioned by the hon. member. I wish to emphasize, as he did, that here we are dealing only with itinerant farm labourers, not with permanent farm labourers who benefit from the provisions of these social measures. They received a real benefit when they were covered by the Canada Pension Plan in 1966, and when the provisions of the Unemployment Insurance Act were extended to cover them on April 1, 1967.

Both these programs were also welcomed by their employers. They put farmers in a position where they could compete more effectively in the labour market for good, responsible farm help. I had some particular knowledge of these matters. In 1967 I worked with hon. members on both sides of the house to express the serious concern of the agricultural industry with respect to deductions for income tax purposes, the filing of T-4 forms, and deductions for unemployment insurance benefits.

The April, 1967 issue of *The Grower*, a monthly publication of the Ontario Fruit and Vegetable Growers Association, carried an editorial dealing with the serious situation facing the farm industry at that time. It was headed "Battle of T4 Form," and was in these words:

Consternation and frustration reign in the fruit and vegetable industry these days—

It would be fair to include the tobacco industry and many other industries that were also concerned.

—as the battle of the T4 form mounts in fury. It's the farmer against the bureaucrat, although the latter is only doing what parliament commanded him to do. It has to do with the difficulty of making out unemployment insurance forms and Canada Pension Plan forms where casual labour is involved. Actually the struggle is between the casual labour work force and the government. The farmer is in between. If he tries to obey the regulations he is caught up in a mountain of paperwork. One grower we know had 500 forms to make out. The report is that one auditor, operating in the Simcoe area where tobacco, apples and strawberries are heavy in the use of casual labour, had 10,000 T4 slips to handle and check. Even a ten year old boy picking strawberries has to declare he doesn't want coverage. Some refuse employment when asked for unemployment insurance number or their social security number. Others accept employment but give fictitious names and addresses. It all mounts up to a gigantic mess. To the grower it is a headache especially for those who are making a conscientious effort to comply. The result is a mounting demand for action at least to the point where the bureaucrats and the representatives of the farm community can sit down and draft a system that will work and that will not add to the difficulties already clouding the farm labour picture—

The growers are not fighting the law. It is the red tape that annoys, plus the very evident fact that many in the ranks of the casual labour force refuse to accept farm employment at a time when the labour shortage is at an all time high. Apparently the demand is not for elimination of existing regulations but for the development of a simple system in which the paperwork can be materially reduced.

That was the situation, Mr. Speaker. With the co-operation of members on both sides of the house, and with guidance and stimulation from all agricultural organizations—I will not name them here because I believe they were all involved—the matter was pressed home to the government.

This is a matter which extends to somewhat broader proportions than the motion before the house. We have to keep in mind the practical difficulties that exist. The Canada Pension Plan statute can only be amended under the circumstances set out in that act. It can only be amended by this parliament with the consent of a certain proportion of the provincial governments. I think it will be of no practical benefit to the farm industry if we or the government were to persuade the Unemployment Insurance Commission to do what my hon. friend has suggested. It would be a good step to take but it would not solve the situation because farmers would still have to make deductions for Canada Pension Plan contributions. They would still have to file T4 forms and make deductions for income tax

purposes. These three matters would have to be tackled together.

We cannot move ahead with these three matters all at once. However, I understand, and I would like the responsible minister to make an authoritative statement on it, that preliminary consideration is being given to amending the Canada Pension Plan. This will require involvement with the provinces, and the amending of it cannot be foreseen in the immediate future.

Many helpful things were done for farmers in 1967. Representations were made to the minister of national revenue who now is our present Minister of Finance (Mr. Benson). The situation that the sponsor of this motion has outlined very graphically, and which the editorial from which I have quoted demonstrates very clearly, is an absurd situation in respect of the filing of T4 forms and forms having to do with income tax deductions. That situation has been corrected, but it seems to me it could be improved. As my friend suggests, I think I would prefer to see a 40 day period rather than a 25 day period. However, in 1967 there was a very great advance in this area when the minister of national revenue on June 12 said this:

• (5:30 p.m.)

Changes in income tax reporting which will reduce the paperwork required of employers were announced today by National Revenue, Taxation. Effective immediately salary and wages paid by employers need not be reported on T4-T4A Supplementaries when the amount paid to an individual in the year totals less than $250.00 if neither income tax deductions nor Canada Pension Plan contributions are required to be withheld.

Then, in dealing with employers in agriculture, the release reads as follows:

In addition, employers in agriculture are no longer required to make income tax deductions when total wages paid are less than $250.00 a year, or the number of days worked by an individual in a year is less than 25. These limits already apply to C.P.P. contributions.

I mention this really to underline what I said previously. The release from which I have just quoted I believe indicates that the exemption applies, providing that neither income tax deductions nor Canada Pension Plan contributions are required to be withheld. So, if Canada Pension Plan contributions are required to be withheld beyond the 25 day period, as is the case as I understand it now, then of course it would be meaningless or of little practical value I believe to extend the exemption period for either income tax purposes or for the purposes of the Unemployment Insurance Commission.

[Mr. Honey.]

With the major advance on the part of the minister of national revenue in June 1967, members of this house and representatives of the agricultural organizations persevered in the matter with regard to the Unemployment Insurance Commission. At that point there was the ridiculous situation that the Canada Pension Plan statute and the Unemployment Insurance Commission regulations provided for a period of 25 days, but the farmer was still tied to the Unemployment Insurance Commission regulation which required him to make the deduction and which required the casual employer to have a book, be registered, and so on.

Representations, therefore, were made to the commission and to the responsible minister, at that time the minister of labour, and later to cabinet. In August of 1967 the Unemployment Insurance Commission regulations were brought into line with the Canada Pension Plan regulations and the income tax regulations. At that point we had at least made a major advance to the point where the three programs were all in step.

I have here the release dated August 24 from the Unemployment Insurance Commission, which is essentially the same as the release from the Department of National Revenue which I read. I join with the sponsor of the motion in the hope that we will be able to move the 25 day period ahead to a 40 day period in these three programs.

I should like to close these remarks by saying that I hope members of this house on both sides, who represent the agricultural industry, and others who are interested in good legislation and the reasonable application of government programs, will in fact assist the government and particularly the responsible minister—the Minister of National Health and Welfare (Mr. Munro)—in his negotiations with the provinces, so that the statute may be amended. Then we would be in a position to move the three programs ahead, in unison.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I am very glad that I can support the resolution of my colleague from Norfolk-Haldimand (Mr. Knowles). I was very delighted to hear the remarks of the parliamentary secretary in which he indicated there is government approval in principle of the idea. I think perhaps members on all sides of the house will be pleased about this, because it is not only members on both sides of the house who represent tobacco areas who are interested in this, but also members on both sides who

represent fruit growing areas such as the Okanagan valley, parts of the province of Ontario and other specific parts of Canada which are affected.

From what we have heard it is clear that it was the intention of the government in the first place, for reasons we have heard already, to give exemptions to transient and migrant labourers who work during the harvesting of seasonal crops. The only difficulty was that the magic number in this case was 25, which obviously was arrived at incorrectly. I agree that it was a good idea that this be given a year's trial; but apparently either the civil servants gave poor advice to the government or were given poor advice themselves, because the magic number 25 should have been 40 in the first place. I believe it is evident that this has caused confusion, because it has been pointed out that migrant labourers, particularly those who come here from the West Indies are promised so much money and are not willing to remain for more than 25 days. This has been dealt with very adequately, and I do not intend to pursue the matter.

The only area in which there is disagreement is in respect of the number 25, which should be increased to 40. I am glad to hear the government is considering changing this. I am glad also to see here at the present time a number of members of the previous parliament who discussed this matter with the then minister of national revenue, the present Minister of Finance. The minister pointed out at that time that it would be necessary to obtain the consent of the provinces in this regard. At that time, when the members of the tobacco board were here in Ottawa discussing this situation, members of the house were critical of the procrastination with regard to getting the matter through before this crop season. There is, however, plenty of time between now and next spring to clear up this situation. I do not foresee any difficulty.

The parliamentary secretary said he hoped that hon. members on all sides of the house would do their best to see that the provincial governments give their consent. I am quite sure he did not mean that very seriously.

• (5:40 p.m.)

I suggest that all the responsible minister would have to do would be to have his secretary contact the ten appropriate officials of the provincial governments, and consent could be obtained in a couple of hours. I cannot imagine any provincial government objecting to something it has already approved in principle, particularly if it is only the 25 day period that is found to be inappropriate for the reasons we have heard. Between now and next spring I hope the minister will be able to make the ten phone calls. If amendments are necessary I am sure they will receive the immediate approval of this house. As Your Honour is aware, when appropriate amendments are placed before this house they are approved, sometimes in two or three minutes.

I have no additional remarks to make to those presented very ably by the hon. member for Norfolk-Haldimand (Mr. Knowles) and the parliamentary secretary. I hope this matter will be expedited.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I listened with great attention and interest to the speech delivered by the mover as well as to those of the two members who spoke before me.

The notice of motion now before us reads as follows:

> That, in the opinion of this House, the government should consider the advisability of extending from twenty-five to forty days the exemption period for social security, unemployment insurance deductions and taxation deductions presently allowed in the case of migrant agricultural workers.

That motion has perhaps not struck or influenced me the way it did some other members. Maybe I am influenced, which is normal, by the opinion of my fellow citizens in my area, in the constituency I represent. While I think that the mover and the two hon. members who spoke before me deserve our congratulations, I feel that in our region the farmers and the farm workers cannot see that motion in the same light as its mover or other Canadian citizens who live in regions other than mine. I think that we must always consider all those policies from a regional and a global point of view. All the same we get our inspiration from what we see around us.

The hon. member for Norfolk-Haldimand (Mr. Knowles) made a very fine speech. Reviewing the background of that legislation, he detailed very skilfully the results obtained in barely a year, as well as those he knew from his personal experience, as I have just learned.

On the other hand, I think that we should think not only about the workers who are in that situation but also about some farmers who live in other regions.

It is well—and I agree with that—to think about the lot and the problems of our students, about the lot of the migrant workers who

come from other countries for a while, as mentioned earlier by the hon. member for Oxford (Mr. Nesbitt), when he told us about those workers from the West Indies who come for a relatively short period of time and then go back home.

On the other hand, if we are to help these sectors of our society, then we might, again consider making changes through more special legislation. Why consider helping students and these people who come from outside the country on a relatively short term basis? Why think of dealing with their problems by a motion which concerns our agricultural industry?

These workers and students work also in other fields here in Canada, and they face the same difficulties. That is why, in my opinion, we should consider helping these people more fully and more generally by means of other amendments.

Before making more concrete comments on this motion, I must say that I was struck by a point made by the sponsor of this motion. He said that the farmers could not keep account books, journals of operations, or deal with other paper work of that sort. I think that we should not be too insistent in asking not only the farmers but the businessmen of the country to deal with that bothersome paperwork. However, I believe—because I know some of them—that there are a great many serious farmers in our country who are capable of adopting an accounting system and keeping books for their operations.

Some of our farmers have a good educational background and are intelligent enough to keep books as well as the neighbourhood grocer or other small traders.

I had the opportunity a few days ago to discuss that motion with some farmers of our region and with some agronomists who are in daily contact with the farmers. Therefore, I can say that in our region in general the farmers are not pleased with that amendment nor the farm workers, I would say. I make no difference between the farm worker and any other worker in my region, and I think the same thing is true everywhere in Canada.

Why make those distinctions? They do not help more that group of citizens we all sincerely want to protect. I think that the basic principle of our government and the party is to try to make of the farmer a first class citizen who will be able to make an income comparable to that of any worker in industry, and our party intends to take the same stand with regard to our farm workers.

[Mr. LeBlanc (Rimouski).]

Here is the opinion of a farmer with whom I discussed that matter last night. He said that the farmer who, in our region, can be considered a big farmer might not be as big compared to others elsewhere in Canada who go in for farming on a larger scale and in more developed areas. In any case, that man can be considered a serious farmer and a big farmer in our region. He told me that, at the present time, the period of 25 days for a total maximum amount of $250 was considered profitable, for the farmer as well as the worker.

• (5:50 p.m.)

The extension to 40 days would be less advantageous for the farmer. It would be to the advantage of the so-called big farmers. For example, in our area, in the lower St. Lawrence region, we know that the hay season lasts from four to five weeks. After that period of 25 days, the farmer can give unemployment insurance stamps to his workers and get workers, day-labourers more interested in working for him, since 40 day periods are very few indeed in farming in eastern Quebec. The same is true for the harvesting periods. We think that in our area especially, with the new developments which will undoubtedly follow the agreement entered upon between the federal and provincial governments last May, farming will thrive and will profit more from the legislation now in force.

I was discussing that question only yesterday with another man from our region, and he agreed with that. This act concerning the agricultural worker is an exceptional measure, and when it was adopted, we took inspiration from representations and reports made by farming associations.

A period of 40 days. So, many agricultural workers in my region will no longer be insurable. In our area, many farmers who are already registered to take advantage of that legislation will keep on losing interest.

A member of the C.F.U. told me the same thing. He told me that they wanted, in addition, the agricultural workers to be treated like other workers everywhere in Canadian industry. He told me that he could not see any advantage in that 40 day period; the big farmer will be protected, while the worker will not. This is how, in my opinion, we must endeavour to maintain a certain balance between the protection we granted to the farmer and that given to the worker.

Does that mean our workers, labourers and day-labourers are not protected under the Unemployment Insurance Act. I know, for example, that even a few years ago, at my office, I used to hire a worker for half a day and I would give him a 1-week stamp. It was an advantage for him. I never heard a worker complaining about such a situation. Why would the agricultural worker, the labourer or the day-labourer working part-time on the land complain about it? At the present time, a worker in eastern Quebec can, when he is free and unemployed, go and work three weeks to grow or harvest sugar-beets at Saint-Hilaire. He can then spend two or three weeks, for example, at Saint-Jean to harvest tomatoes and then, another three weeks somewhere in Ontario to gather the tobacco crop. During the winter, he can again be lucky enough to work a few weeks and be in a position to draw unemployment insurance instead of being simply on social welfare, as so often happens.

We know that the first condition to draw unemployment insurance benefits is to have paid 30 contributions and collected stamps for 30 weeks, within the two years prior to the claim. Therefore, we must have made 30 contributions and have worked during 24 weeks out of the last 52; eight contributions must have been paid in the course of the previous year. These are, I believe, the details. That is the spirit of the law. It must be looked at, according to the spirit of the motion. And so, a farm worker could not benefit from the law, according to the example I have just given.

Last week, I met a Quebec farmer; I would say that he is one of the most dynamic and most intelligent. We discussed this matter and I took note of some of his views; I have come to the conclusion that as the motion stands, it is not advantageous for the small farmer who, once again, will be victimized by the application of that law should it be amended as provided for by the motion.

I also agree with the previous speaker; as I understand it, he said that it was a most complex business to face the situation on three fronts at once: social security, the Canada pension plan and income tax deductions.

[*English*]

The Acting Speaker (Mr. Béchard): Order. The hour provided for the consideration of private members business has now expired.

• (6:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Aiken: Before the house adjourns, I wonder if the house leader would outline the business for tomorrow?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, tomorrow—

Mr. Knowles (Winnipeg North Centre): Cash advances.

Mr. Macdonald (Rosedale): Tomorrow we will continue with the cash advance legislation, after having passed the post office and farm credit bills.

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

HOUSE OF COMMONS

Thursday, October 24, 1968

The house met at 2.30 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate has passed Bill No. S-8, an act to amend the Supreme Court Act, to which the concurrence of this house is desired.

PRIVILEGE

MR. LEWIS—ALLEGED ALTERATION IN HANSARD REPORT

Mr. David Lewis (York South): Mr. Speaker, I rise on a point of privilege affecting *Hansard* and an answer therein recorded which came from the right hon. Prime Minister. I am referring to page 1936, the bottom of the left hand column. I asked the Prime Minister a question with regard to foreign aid provided by Canada. The Prime Minister is recorded as having said the following, and I am particularly referring to the last sentence of his answer at the bottom of the column:

> We are still aiming in this direction, and perhaps in next year's budget we will discover new ways of finding more money so we can help more people in other countries.

I am quite confident in my mind, Mr. Speaker, and I have not the slightest doubt that that is not what the Prime Minister said; that the Prime Minister said "We will discover new ways of levying more money so we can help more people in other countries."

Some hon. Members: Oh, oh.

Mr. Lewis: And the difference, Mr. Speaker, is very significant. That answer astounded me at the time because it seemed to me to have a very definite edge to it. It warned the Canadian people that they would have to pay more taxes. The word was "levying", Mr. Speaker, and it was changed. That changes entirely the meaning of the Prime Minister's answer and I submit, sir, that this is an abuse of the editing privilege that members of the house have. I hope the Prime Minister will see to it that this is corrected and that the true answer is put in *Hansard*.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am perhaps not getting the inference, subtle or otherwise, of the point of privilege. I can only say that my memory is of having used "finding". I do not know that any correction was done. If I did say "levying" I am quite prepared to leave it at that, but I confess that when I made the answer, Mr. Speaker, I did not have any of this distinction in mind. I do not believe any correction was made, in my name or otherwise.

Mr. Lewis: Mr. Speaker, that is the Prime Minister's statement. I suggest that in his reply he used the word "levying". If he now states that he is prepared to say to *Hansard* that the original word is to be reintroduced, that satisfies me.

Some hon. Members: Oh, oh.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, quite frankly I find myself in agreement with the hon. member for York South.

Some hon. Members: Oh, oh.

Mr. Stanfield: I suggest in all seriousness to hon. members opposite who may joke about this that the integrity of *Hansard* is as important as the integrity of forecasts of estimates is important.

Some hon. Members: Hear, hear.

Mr. Stanfield: I say in all sincerity that the sense I had of what the Prime Minister said was that the government might be able to raise or levy more money for this purpose. It was not that it would find ways to raise additional money for this purpose. So I must rise in support of the hon. member for York South on this point.

Mr. Trudeau: Mr. Speaker, my recollection again is having used "finding". "Levying" is a rather more sophisticated word, and as hon. members know I do not use sophisticated words.

• (2:40 p.m.)

Some hon. Members: Oh, oh.

Mr. Trudeau: I can put my feeling on record. I wanted to convey to hon. members

of the opposition and to the people of this country that all our good intentions, in this as in other fields, have to be paid for; that any progress which this country makes in the field of external aid or internal development has to be paid for, whether by borrowing or by levying taxes. Borrowing has to be repaid eventually, too.

Mr. Speaker: Order, please. I wonder whether we might not allow the matter to stand where it is at the present time. My understanding of what the Prime Minister is suggesting now is that if *Hansard* is actually to the effect that the word "levying" was used, he would have no objection to the official record eventually carrying the word "levying" rather than the other word referred to.

Mr. Trudeau: No, Mr. Speaker, I was really indicating that I have no quarrel with the opposition on this, but I do not want any inference to be drawn that we have corrected *Hansard*. My recollection is that I used the word "finding" and that is the word I am prepared to stand by, but there should be no inference drawn that anyone in my office corrected *Hansard*. If that is the case I will apologize to the house tomorrow.

Mr. Speaker: Order, please. I wanted to say something along the lines of what the Prime Minister has said. My suggestion is simply that it is very easy to go to the *Hansard* take, and whatever the word is that is reported will be the word which will appear eventually in the official record.

Mr. Lewis: On that point, I tried *Hansard* and of course they are not permitted to let me see the original transcript.

Mr. Speaker: I would ask the hon. member to have confidence in the Speaker to that extent.

Some hon. Members: Hear, hear.

[*Translation*]

COMMITTEES OF THE HOUSE

First and second reports of standing committee on finance, trade and economic affairs —Mr. Clermont.

First report, in English and in French, of standing committee on miscellaneous private bills and standing orders—Mr. Duquet.

[*Editors Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

THE MINISTRY

ANNOUNCEMENT OF MISSION TO SOUTH AMERICA

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, hon members will recall that last May I announced that the government had decided to send a special ministerial mission to Latin America.

I wish to announce today that this mission will leave Ottawa on Sunday, October 27, on an official visit to Venezuela, Colombia, Peru, Chile, Argentina, Brazil, Mexico and two countries of Central America—Guatemala and Costa Rica—in that order. It will be back in Ottawa on November 27.

While making plans for that mission we tried to make representative the wide field of Canadian interests in Latin America. To that effect and so that the ministers will not have to be away from their normal responsibilities for too long, five ministers will be included in that mission. They are the Secretary of State for External Affairs (Mr. Sharp), the Minister of Industry, Trade and Commerce (Mr. Pepin), the Minister of Energy, Mines and Resources (Mr. Greene), the Secretary of State (Mr. Pelletier) and the Hon. Otto Lang, Minister without Portfolio. Most of the time two of these ministers will be present in each country visited.

I have said many times, and I repeat now, that the government considers our relations with the countries in this hemisphere as being of high priority. The mission which will visit nine of the Latin American countries shortly is to be considered not only as an indication of our anxiety to strengthen our bilateral relations with these countries, but also as a clear demonstration of the importance we attach to our relations with all our neighbours, and especially with those of our hemisphere.

[*English*]

The mission will be equipped to pursue all important aspects of our relations with Latin American countries, political and cultural as well as economic and commercial. It will enable ministers to have direct talks with Latin American leaders, and it will give them an opportunity to see at first hand something of what is happening in those countries. Ministers will make a voyage of exploration during which they will not only make Canada better known but also during which I hope they will lay the groundwork for better understanding of Latin America on the part of Canadians.

Perhaps most important, the experience gained will be invaluable in assisting the government to determine what new avenues may now be opening up for closer relations with Latin American countries, both bilaterally and with respect to our common interest in the world at large.

The work of the mission is part of a review of Canadian policy toward Latin America which is already under way. I am confident that this review will demonstrate that there is real scope for strengthening Canada's relations with Latin America to the mutual advantage of both. The ministerial mission which is about to depart will help the government to determine what the real possibilities are and how best to proceed.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I do not want the Prime Minister to think I am being facetious, but I should commence by saying that we will hardly notice the absence of the ministers from the house.

With regard to the import of the Prime Minister's statement, I think we all approve of the establishment of closer associations with the countries of Latin America. I hope the ministers will have in mind the possibilities of establishing closer trading relationships. I believe that in the course of time, if not immediately, our country will be confronted by the need for exploring the possibility of becoming part of a larger trading union than is presently the case. I hope the ministers will have in mind the possibility of closer and more permanent trading associations with the Latin American countries.

I do not know whether the Prime Minister has in mind the possibility of Canada entering the O.A.S. or anything of this sort, but whatever reservations we might have in this connection I am sure we all approve of improvement in understanding between the Latin American countries and our own, and the importance that we must all attach to the fact that we share this hemisphere and that we have an important role to play together.

We will wish the ministers the best of luck in connection with this mission, and hope we will eventually see them again in the House of Commons.

Mr. David Lewis (York South): Mr. Speaker, I do not think one needs more than a sentence or two to say that we entirely approve of and are delighted with the initiative taken by the government. It is obvious that this mission can do a great deal of work, and I have no doubt the ministers will find ways of improving our relations with Latin American countries and opportunities for later exchanges, both cultural and economic.

As my second point, Mr. Speaker, I may suggest it would be worth while for the government to consider sending a similar mission to the Caribbean countries which are members of the Commonwealth as well as being countries in this hemisphere, and with which our commercial and cultural relations can be improved a great deal.

Finally, Mr. Speaker, on behalf of my colleagues I hope this is not the first step toward membership in the Organization of American States, something which should not occur at this time. But it should be the first step in strengthening relations with all countries in the hemisphere that are smaller and less powerful than our powerful neighbour to the south.

• (2:50 p.m.)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to comment briefly on the statement the right hon. Prime Minister just made on the special ministerial mission to Latin America and two countries in Central America.

We are very pleased to hear this because, personally, I feel that compared to the assistance Canada has given other regions of the world, we have sadly neglected South America.

According to the information we have and the news we get, the ministers will be visiting countries where there is quite a subversive ferment. If it so desires, the ministerial mission can bring some hope of better days to those peoples, through the support and direct assistance Canada can give them.

As mentioned by the hon. Leader of the Opposition (Mr. Stanfield), I suppose that the mission will take this opportunity to study the possibility of Canada entering the O.A.S. in order to establish closer relations between our country and the countries of America which, in fact, are located in our continent.

[*English*]

Mr. Stanfield: Mr. Speaker, I rise on a question of privilege. I know it is the fault of my bilingualistic inadequacies, but I did not really suggest that the minister should explore the possibilities of entering O.A.S. I did not really express any views in that regard.

Statement on Educational Broadcasting

BUSINESS OF THE HOUSE

SUSPENSION OF PRIVATE MEMBERS' HOUR THIS DAY

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, as hon. members know an invitation has been issued for a ceremony at six o'clock this evening, on the occasion of the unveiling of a portrait of Right Hon. Lester B. Pearson. I have had certain consultations and I believe there will be general agreement, on account of this occasion, that the house make an order dispensing with private members' hour for this evening, on the understanding that all motions will retain their place and that the day will not be lost in respect of private members' hour.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

TELEVISION

ANNOUNCEMENT OF TASK FORCE ON EDUCATIONAL BROADCASTING

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, last Monday, in response to an inquiry from the hon. member for Selkirk, (Mr. Schreyer), I said that I hoped to be able to make a statement on educational broadcasting this week, and if the house is agreeable, I should like to do so now. However, I must apologize for having sent a bit late that statement to the leaders of the opposition as a result of a misunderstanding.

[*English*]

In view of the importance attached by provincial governments to the development of educational broadcasting facilities, I should like to inform the house that the government intends to introduce legislation, as early as possible in the current session, to establish a Canadian educational broadcasting agency for this purpose.

A task force is to be established immediately, which will include representatives of the Privy Council office, the Canadian Radio-Television Commission, the post office —which now includes the core of the proposed department of communications—the department of the Secretary of State, and others, to advise the government on a number of important aspects of this problem, including the details of the proposed legislation and the method of financing the new agency. The task force will ascertain provincial requirements and priorities for the provision of facilities, and will carry out research and planning to ensure the most rational development of these facilities in relation to the country's broadcasting and other communications systems, with particular attention to the rapid pace of technological developments. Technical advice from the Canadian Broadcasting Corporation will be sought when appropriate.

The task force will also consider and advise on the most practical means of satisfying the most urgent provincial requirements pending the enactment of new legislation. In this connection the government will be prepared, if necessary, to consider issuing a formal direction to the Canadian Broadcasting Corporation, under section 39(2) of the Broadcasting Act, to provide required educational broadcasting facilities on an interim basis, which would be transferred to the new agency when it has been established.

[*Translation*]

I should like to point out, Mr. Speaker, that these decisions are consistent with the present apportionment of powers under the constitution which gives the provinces full authority in the field of education whereas communication systems, including broadcasting, fall within the jurisdiction of the federal government.

It is proposed that the Canadian Radio-Television Commission will issue to the agency that will be set up, broadcasting licences to be used in connection with provincially-approved programs. This arrangement will enable the provinces to retain their basic responsibility with regard to the preparation and production of programs. However, since the actual broadcasting of these programs remains a responsibility of the federal government, there will be no need to change the long-standing federal policy of not issuing broadcasting licences to the provinces or their agents.

[*English*]

The task force which will be established to assist in the implementation of this new program will have as one of its primary tasks to pursue earlier discussions with the provinces to work out the details of the program, including the extent and timing of the federal government's financial participation, which will be limited to the support of its own responsibilities under the proposed arrangement.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this is obviously a

matter of very considerable importance to Canada as a whole and to all the provinces, and a matter about which the government of the province of Quebec has expressed particular interest and concern. It is my hope that the procedure outlined by the Secretary of State will facilitate a cordial settlement of the various points of view which have been expressed, and allow this matter to proceed satisfactorily.

I must say, however, I personally have some doubts about this idea of turning over the negotiations, discussions and arrangements with the provinces to a task force, particularly in view of the concern which has been expressed by one province. I am not persuaded at this moment that this is the proper approach. The Secretary of State has expressed his apology for the shortness of notice in respect of this statement, and I accept his apology. Surely the procedure he has suggested is not satisfactory in view of the constitutional importance which is attached to this matter, at least by one province.

Let me at this time content myself by emphasizing an aspect of this matter of which I am sure the Secretary of State is aware. I refer to the procedure he suggests should be followed. Without trespassing too far let me say we have noticed lately that those who are seized with finding solutions to federal problems have coalesced.

• (3:00 p.m.)

I do not think the federal government should adopt a procedure which unnecessarily gives encouragement to and provokes that kind of reaction.

In all sincerity, Mr. Speaker, I would urge that the government of Canada proceed with these discussions in a different way, one which fully recognizes the importance the provinces attach to a full discussion of these problems. The federal government should not simply relegate the matter to a task force appointed by it.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, like the Leader of the Opposition I wish to express the view that the advent of E.T.V. is a matter of great importance to the cultural and educational enrichment of Canada. On balance we welcome the statement which the Secretary of State has just made. However, I want to express some feeling of disappointment it is thought necessary to resort to the procedure of setting up a task force. This is disappointing in view of the fact that last fall we held rather extensive hearings in the standing committee on broadcasting, films and assistance to the arts, wherein we received weighty and well articulated briefs from provincial departments of education and adult education associations, and one would have hoped the minister would have been confident enough, armed with these briefs, to proceed a little more quickly.

However, I commend the minister, since he is going to set up a task force, for giving it terms of reference that will really help him to appreciate all the ramifications of the problem. In particular I welcome the reference at the middle of page 2 of the statement, wherein the minister says he is prepared to issue a direction to the Canadian Broadcasting Corporation that it soon provide facilities to the departments of education of the provinces so they can quickly set about providing television to the classrooms across the country.

I am sure the minister is well aware that some of the provinces, at least, and adult education associations in the provinces have a deep sense of frustration over what they regard as a long drawn out delay in setting up in this country an E.T.V. capability and the necessary facilities therefor.

[*Translation*]

Mr. Speaker, I should like to thank the hon. Secretary of State (Mr. Pelletier) for the speed with which he assumed that responsibility.

I would add that doubtless many problems will stem from E.T.V. and the powers conferred by the constitution. Still, thanks to wisdom and knowledge, the Secretary of State will command respect for his views.

Mr. René Matte (Champlain): Mr. Speaker, although at first glance the statement of a minister may look like a step forward, it should not be forgotten that in Quebec it will be considered as another federal intrusion in the fields of exclusively provincial jurisdiction. The statement reads in part as follows:

—however, since the actual broadcasting of these programs remains a responsibility of the federal government, there will be no need to change the long-standing federal policy of not issuing broadcasting licences to the provinces or their agents.

Why add that sentence? If the licence is required to safeguard the special interests of a province and, amongst others, those of the province of Quebec, let one be issued. Let us not get stuck for that. The situation is the

same, in the field of radio, with Radio-Québec. Information, and especially education, benefit from television and radio broadcasting; they are, at the present time, the most important and essential means of communication from which a nation can benefit to improve the cultural level of its citizens.

Quebec will always jealously guard its rights in that field, and that is why I think this is a good thing for the other provinces. As usual, we agree about that, since there are no special problems with regard to the other provinces. As concerns Quebec, however, if the federal government has a surplus of money which it can put to use in this field, let it give this surplus to Quebec and let that province organize its own cultural and educational programs.

TRADE

TABLING OF REPORT OF ADJUSTMENT ASSISTANCE BOARD

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I shall make my statement tomorrow, Mr. Speaker, but may I table today the French and English versions of the report on the activities of the Adjustment Assistance Board?

[*English*]

Mr. Speaker: Has the minister leave of the house to table the documents to which he has referred?

Some hon. Members: Agreed.

AGRICULTURE

FARM IMPROVEMENT LOANS—INQUIRY AS TO INTEREST RATE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. With respect to the legislation on farm improvement loans and the urgency which the government attaches to the implementation of all legislation relating to farm credit, I ask the minister when he will be prepared to announce the establishment of an interest rate, or the formula for the establishment of an interest rate with regard to farm improvement loans, in view of the fact that the legislation was passed through this house about two weeks ago.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, perhaps I could answer this question. The Minister of Agriculture indicated in his statement to the house the basis upon which we would be discussing the rate of interest with the banks. Discussions are presently going on, and we hope to announce the interest rate immediately after royal assent.

Mr. J. H. Horner (Crowfoot): A supplementary question, Mr. Speaker. What is the hold-up on this piece of legislation, in view of the fact that it has now passed this house? Why is it not in effect? This program has been out of existence since June 30, and in fact the Minister of Agriculture informed the house that it was all prepared last February.

Mr. Benson: Mr. Speaker, it is true that the legislation has been prepared for a long time. It has gone through the normal process in this house. I am not sure of this, but I think it has completed the normal process in the other place and will soon receive royal assent. In the interim, as the Minister of Agriculture mentioned to the house, we have been discussing with the banks the rate of interest which will be proclaimed, I hope, on royal assent.

Mr. Stanfield: A supplementary question, Mr. Speaker. I wonder whether the Minister of Finance, now that he has his budget speech out of the way, will be able to give his attention to this matter and announce to the house and the country the rate of interest at which farmers will be able to borrow money under this program. I urge that the minister do this, in view of the great urgency of the matter.

Mr. Benson: Mr. Speaker, I can assure the Leader of the Opposition that this will be done at the first possible moment. The importance to us as a government, and I am sure to the people of the country as a whole, especially the farmers, is that the legislation should work, which means that the interest rate is established at a level that is fair and equitable to the farmers of Canada and yet encourages the banks to promote the use of this particular legislation which has proven so useful to the farmers of Canada.

Mr. Stanfield: A further supplementary question, Mr. Speaker. In view of the fact that the minister has had a long time to discuss these matters with the banks and other lending institutions, may we express the hope that the government will in fact produce some action and that the first possible moment will prove to be the earliest possible moment.

Mr. Benson: We will, Mr. Speaker.

Mr. S. J. Korchinski (Mackenzie): May I ask the Minister of Finance whether at the time of making an announcement in regard to farm improvement loans he will also be in a position to indicate to the house what the rates will be on the Farm Credit Corporation loans?

Mr. Benson: It is very difficult for me to announce this until the opposition shows a willingness to proceed with the legislation, at which time I will try not to disappoint them.

EXTERNAL AFFAIRS

NIGERIA—SUPPLY OF ARMS BY RUSSIA

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I direct my question to the Secretary of State for External Affairs. In view of the fact that a cargo of military equipment provided by the U.S.S.R. has recently been landed in Nigeria, has the Canadian government made or will it make representations to the government of the U.S.S.R. recommending that they should join with other nations in bringing about an end to the supplying of arms or military equipment to the combatants on either side, with a view to putting an end to the deadly conflict in that country?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The government of the Soviet union knows the Canadian views upon the subject, which have been expressed very eloquently by the Prime Minister. I do not think there is any need for us to go any further than that.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, at this time when we speak so highly of the United Nations and what it has done may I ask the Secretary of State for External Affairs what possible reason there is for the government of Canada to continue a sit-down strike against bringing this matter of a cease fire in that country before the United Nations. Is there any objection being raised by any country to bringing before the United Nations the matter of a cease fire between Nigeria and Biafra?

Mr. Sharp: Mr. Speaker, I have answered similar questions on previous occasions, but perhaps I could draw attention to the statement made just yesterday by one of the distinguished leaders of an African nation, who suggested that we should be very careful as a country not to intervene in the internal affairs of any member country, particularly one in Africa.

Mr. Diefenbaker: Then may I ask the minister, when did he develop this peculiar predisposition? He did not have it regarding the situation which has existed in Rhodesia. Why does he have it in respect to a situation which affects the future of the world so seriously?

Mr. Speaker: Order, please. I think the supplementary question is argumentative.

Hon. Robert L. Stanfield (Leader of the Opposition): May I ask the Secretary of State for External Affairs whether he looks under his bed for General de Gaulle every night?

[*Translation*]

CROWN CORPORATIONS

PRIMARY LANGUAGE OF SENIOR CIVIL SERVANTS

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, since the present government has made bilingualism in the public service a priority, and in view of the Speech from the Throne and the new legislation on the official languages, I put on the order paper question No. 53—which was answered yesterday—about six crown corporations. I asked how many senior civil servants earn $17,000 and more and I was told that there were 225.

I am coming to my question, Mr. Speaker. There are 225 English-speaking and 14 French-speaking senior officials.

I therefore ask the Prime Minister to tell me if that situation will soon change because it seems that it will go on for ever.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, we have already indicated in what direction we are heading and what progress has been made. However, there is still much more to do, and that is why we will be very happy when parliament passes the bill on the official languages, because then we will be able to deal with other projects.

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a supplementary question for the Prime Minister.

Yesterday afternoon, two constituents of mine presented themselves at the main entrance of the parliament building and were unable to secure the assistance of a French-speaking or a bilingual person; would the Prime Minister take the necessary steps so

that French-speaking persons will be on duty at the entrance of the parliament building?

Mr. Speaker: Order. The hon. member's representations have been noted.

TELEVISION

REQUEST FOR POLICY STATEMENT ON EDUCATIONAL BROADCASTING

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to address a question—which is not supplementary—to the hon. Secretary of State.

It concerns a statement on educational television he made earlier. Would the minister tell the house whether he intends to ask the provinces to send him their suggestions and their opinions on the matter, either by letter or otherwise, before he establishes another federal research commission?

Hon. Gérard Pelletier (Secretary of State): This is precisely one of the things which are included in the terms of reference of the task force which has been set up in this regard. However, Mr. Speaker, I wish to remind the hon. member that all the provinces have been invited and that most of them have accepted to give evidence before the committee on broadcasting, films and assistance to the arts which, during the last session, heard numerous representations.

Mr. Valade: I wish to ask a supplementary question, Mr. Speaker.

Does the Secretary of State intend to ask the provinces to appoint a permanent delegate to that research agency?

Mr. Pelletier: The matter has not been considered, Mr. Speaker, we have not set up the task force yet. When we get to that stage, and when the time comes to select the personnel, I will be able to answer the hon. member.

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to address a supplementary question to the hon. minister.

When the minister says that most of the provinces have accepted the invitation, can he tell us whether the province of Quebec did too?

Mr. Pelletier: Mr. Speaker the province of Quebec has not answered our invitation to appear before the parliamentary committee,

but through one of its ministers, it has already made a very brief but rather significant comment.

Mr. Marcel Masse, a Quebec minister, said: These portions of the White Paper which propose what I have announced today open the door to a concrete co-operation between the federal and the provincial governments.

Hon. Théogène Ricard (Saint-Hyacinthe): Does the minister not think that it would be greatly preferable if he communicated with the government himself in order to know its views, rather than leave the matter in abeyance and interpret a speech in his own way?

Mr. Pelletier: Mr. Speaker, a question is put to me and I try to answer. On the other hand, it is the first time that the hon. member makes that suggestion, but I am taking note thereof.

[*English*]

BILINGUALISM AND BICULTURALISM

ALLEGED LEAKS RESPECTING REPORTS OF ROYAL COMMISSION

On the orders of the day:

Mr. David MacDonald (Egmont): My question is for the right hon. Prime Minister. In view of the alarming leaks which have been coming in recent days from the royal commission on bilingualism and biculturalism I wonder what steps the Prime Minister and his government are taking to prevent this damaging appearance of perhaps even inaccurate material from the commission.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, as the house knows, the proceedings of a royal commission which is still engaged in the preparation of its report are a matter for that commission, and royal commissions are established in such a way as to have the degree of independence from the government which is required in order to make their own research and prepare reports in conformity with their own views. Therefore I do not think it is proper for us to intervene in the procedures and proceedings of a royal commission. They are in full control of them or, to use another expression, they are the masters of their own proceedings.

I can only say that until yesterday—and I do not believe any communication has arrived today—this commission has not communicated with my office to indicate that we

should be doing something about the leaks. I will add, however, that I am distressed about the matter, and I have asked the Solicitor General to use whatever means he can to see whether any question of theft arises. If we can find the guilty party we will certainly want to punish him.

Mr. MacDonald (Egmont): Mr. Speaker, I have a supplementary question. In view of the considerable delay which has already occurred in the publishing of successive copies of this document, and in view of its importance in the light of the legislation before the house at present, can the Prime Minister and his government take any steps to accelerate the publication of these important documents?

Mr. Trudeau: Mr. Speaker, we are all anxiously awaiting the publication of this report. The leak concerns the third report and it seems to be a fairly clear infringement of the Copyright Act, in view of the fact that it seems to be a leak concerning a document which is nearly ready. The point is that it is only the commission which can decide at what point of preparation it will publish its report. Of course I have spoken to the co-chairmen of the commission and told them that it was our desire and that it was in the interests of the country to have the report as soon as possible. I conclude from the fact that the third volume has been leaked in this particular way that probably the second and third volumes are very close to publication.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I want simply to ask the Prime Minister whether it is the position of this government that the royal commission be left to take the decision whether any effort will be made to investigate and find the source of this problem.

Mr. Trudeau: Mr. Speaker, I know the members of the commission are aware of this matter, because one of them has already made a public statement about it. I have discussed with the law officers of the crown, the Minister of Justice and the Solicitor General steps that we might contemplate. But once again, we cannot tell the commission what they should be doing; I am waiting for advice from them. If they feel that anything useful can be done then we will discuss with them any possible steps that might be taken.

For the information of hon. members, Mr. Speaker, perhaps I should say that though this appears to be fairly clear infringement of copyright in regard to property belonging to the crown, the steps that could be taken to redress the matter are not easily available in law in the sense that they might not be as effective as we might like. Perhaps the most effective solution would be to try to find whether there has been any theft, and if so to pursue the matter in that direction. I repeat that I have discussed any steps that should be taken with the Solicitor General.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a supplementary question. I know I do not understand sophisticated language. What is the nature of the copyright in connection with a prospective report from a commission? I am just asking for information, Mr. Speaker, so we can understand exactly what it is the Prime Minister has in mind. If there has been any breach of copyright, then there is a law available to deal with it. Surely the Prime Minister is not suggesting that they are going to apply the sealing wax to people who submit their ideas about what is in a report.

Mr. Trudeau: Mr. Speaker, I can see that the right hon. gentleman is not informed about what was published in *La Presse*. If he obtains a translation then perhaps he will see that this is not a matter of someone giving his idea about what is going on.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Diefenbaker: On a question of privilege—

Mr. Speaker: Order, please. I understand that the right hon. gentleman wishes to raise a supplementary question.

Mr. Diefenbaker: I would remind the right hon. gentleman when speaking about language that I remember last February hearing the Prime Minister say in this house: "Nous avons perdu la confiance de la chambre". When the Prime Minister's words appeared in *Hansard* they were: "We have lost the vote". I knew sufficient French as I listened to him to know the difference.

Mr. Speaker: Order, please. I doubt whether the point of order should be pursued further.

[*Translation*]

Mr. Trudeau: Mr. Speaker, that is afterwit, what we call in French "de l'esprit d'escalier".

Inquiries of the Ministry

[*English*]

AGRICULTURE

CORN—INQUIRY AS TO ASSISTANCE TO ONTARIO GROWERS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question I should like to direct to the Minister of Agriculture. Would the minister now report to the house what plans he has in mind to assist the corn growers of south-western Ontario who are presently suffering a near disaster, and are suffering more and more each day? In this regard can he also tell the house how the conversations with the United States government are proceeding in connection with exercising some control over the importation of United States corn?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the hon. gentleman has asked several questions.

Mr. Nesbitt: Just two.

Mr. Olson: First, Mr. Speaker, I should like to say that in his budget speech the Minister of Finance indicated that the government is going to provide for accelerated depreciation on storage facilities, which will be helpful in the long run in view of the corn marketing problem at the moment in southern Ontario.

In reply to the second part of his question I would say that negotiations have been going on with United States officials, and I expect that perhaps within a few hours, but certainly very shortly, I will be in a position to make an announcement in connection with the import competitive factors involved in the marketing problem.

REQUEST FOR ACCELERATED DEPRECIATION ON GRAIN DRYING EQUIPMENT

On the orders of the day:

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct my question to the Minister of Finance. Would he agree, in light of the harvesting conditions in western Canada and the large volume of tough and damp grain stored on farms, to adding a further provision for accelerated depreciation on equipment that is used for grain drying?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I must admit ignorance with respect to what equipment is used for grain drying—I believe it is elevator equipment—but I would be very pleased to look into the matter. If my hon. friend will meet with me privately and inform a poor fellow from a small town what equipment is involved, then I would be pleased to look into the question.

Mr. Benjamin: A supplementary question for clarification, Mr. Speaker. I am referring to grain dryers that farmers purchase for use on their farms before the grain is stored in bins. Would the minister allow some accelerated depreciation on this equipment, as well as on storage equipment?

Mr. Benson: Mr. Speaker, I have great sympathy for the farmers of western Canada and for the particular problems they have at this time, and I would be pleased to look into the matter that has been raised by the hon. member.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I have a supplementary question for the minister with regard to this problem. Is the minister now in a position to say that special quota privileges will be given to farmers who are attempting to harvest damp grain this fall, such as was the case in 1953 when conditions were very similar to those of this year?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, this question should be directed to the Minister of Industry, Trade and Commerce, who reports to this house for the Canadian Wheat Board. I believe the minister has already announced that the wheat board have taken extraordinary measures to deal with the extraordinary situation created by this tough and damp grain.

Mr. Horner: A further supplementary question, Mr. Speaker, to the Minister of Trade and Commerce. Is the government going to make special delivery quotas available to farmers who are now harvesting damp grain, such as was the case in former years?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, It appears to me that the situation today is very different from that of previous years when such steps were taken. In previous years the damp grain was found in certain areas only; today the situation is fairly broadly generalized. Therefore up to now we have felt that there is no possibility of doing what was done in the past.

Mr. Horner: A further supplementary. Are the wheat board and the minister's department making grain drying facilities available at the terminals to aid in drying the grain?

Mr. Pepin: Mr. Speaker, I answered this question the other day when I said that on October 15, 1968 the Canadian Wheat Board issued an instruction that priority should be given to the shipment of damp grain to terminal positions. I announced that four or five days ago.

[*Later:*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct this question to the Minister of Industry, Trade and Commerce. In view of the fact that some specialty crops in western Canada, specifically flax and rapeseed, will suffer considerably if they are left out for the winter, is any thought being given by the hon. gentleman's department or by the wheat board to making special provision in order that these crops, which are not large in volume, may be moved quickly to the dryers?

Mr. Pepin: Mr. Speaker, I have already indicated that some measures have been taken by the wheat board to give priority to the moving of damp grain. I will find out whether they apply to the grains mentioned by the hon. member.

CHEESE—REDUCTION IN FLOOR PRICE

On the orders of the day:

Mr. Lee Grills (Hastings): Mr. Speaker, I would direct my question to the Minister of Agriculture. Since the floor price of cheddar cheese is being lowered by 5 cents a pound—from 47 cents to 42 cents—on November 1, has any action been taken, or will it be taken, to relieve producers who find themselves in an impossible position, perhaps being forced to close their doors? The price of milk, as the minister knows, is exactly the same—

Mr. Speaker: Order, please. The hon. member has asked his question.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have had a number of meetings with members of the house and representatives from the cheese producing industry, particularly the processors. The lowering of the floor price from 47 cents to 42 cents a pound effective November 1 is something that has been well known to the industry for a long time. The reason for it is that some of the cheddar cheese produced in the wintertime is surplus and is costing the dairy industry around 15 cents a pound to export from Canada. The policy has been announced that we need to discourage the production of more cheese in this season, when we produce against the surplus stock.

Inquiries of the Ministry

Mr. Grills: A supplementary question, Mr. Speaker. If that is the case, is any consideration being given to some reimbursement for diverting commercial milk to butter plants and thus maintaining the staff of cheese plants in employment and relieving the cheese situation by helping manufacturers?

Mr. Olson: Mr. Speaker, this problem arises with processing plants that are exclusively producing cheese. As the hon. member knows, this is a problem of particular concern to some parts of Ontario. I believe it is up to the provincial officials to make arrangements for the transfers during certain seasons, because they have control of that matter and of the pooling of fluid and manufacturing milk in Ontario.

CONSUMER AFFAIRS

INQUIRY AS TO MEMBERS OF ADVISORY COUNCIL

On the orders of the day:

Mr. William Skoreyko (Edmonton East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Is he now in a position to name the members of the consumer advisory council, as Dr. Leighton was appointed on July 17?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker, but I am very optimistic that I shall be able to name them within two weeks.

Mr. Skoreyko: A supplementary question, Mr. Speaker. Since the federal-provincial conference is scheduled for next Monday, is the minister able to table the agenda for that conference?

Mr. Basford: Mr. Speaker, when I announced the holding of the conference on October 28 I said the conference would explore areas of federal-provincial co-operation in fields of credit, consumer protection and trade practices. However, since this is an exploratory conference the arrangement and agreement among governments have been that a detailed agenda would not be published.

INDUSTRY

PROPOSED MEETING TO VALUE ASSETS OF DOSCO

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the

Inquiries of the Ministry

Minister of Forestry and Rural Development who answers in this house for the Cape Breton Development Corporation. In view of conflicting and argumentative statements released in recent days by Charles E. MacCulloch of the Dominion Coal Company and Douglas Fullerton, chairman of the Cape Breton Development Corporation, in reference to a proposed meeting to negotiate a value to be placed on Dosco's assets, can the minister advise the house when such a meeting will take place?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, a meeting? I do not understand. A meeting with whom?

Mr. Muir (Cape Breton-The Sydneys): Between Devco and Dosco.

Mr. Marchand (Langelier): This I am not aware of, Mr. Speaker, but I shall obtain the information and transmit it to the hon. gentleman.

HARBOURS

ROBERTS BANK, B.C.—CONFERENCE AS TO RAIL LINK

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wished to direct my question to the Minister of Transport but I see he is not in the house although his name is on that paper whose title we cannot mention. I know he will miss his daily Roberts Bank question and regret it. Was the meeting on Tuesday with Premier Bennett of British Columbia and other officials about the Roberts Bank rail link closed to the public? Perhaps I might direct my question to his parliamentary assistant.

Mr. Baldwin: Perhaps the premier could give his opinion of the budget.

Mr. Speaker: Order, please. I fail to see the urgency of the question. If there is urgency the hon. member might give the usual notice.

Mr. Rose: Am I permitted a supplementary question, Mr. Speaker?

Mr. Speaker: I will take the supplementary question as notice.

[Mr. Muir (Cape Breton-The Sydneys).]

[*Translation*]

NORTHERN AFFAIRS

INQUIRY AS TO DISPOSITION OF "GRANDE HERMINE"

On the orders of the day:

Mr. Gerard Duquet (Quebec East): Mr. Speaker, I should like to put a question to the hon. Minister of Indian Affairs and Northern Development.

Now that Expo is over, could the minister tell us what are his intentions concerning the replica of the *Grande Hermine*? Does he intend to have it taken to the Cartier Brébeuf park?

Mr. Speaker: Order. I think this question should be put on the order paper.

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

EXPO '67

INQUIRY AS TO SALE OF EXPO EXPRESS

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, yesterday I put a question to the hon. minister of Industry, Trade and Commerce, regarding Expo-Express. The minister seemed to say that the tenderers had to withdraw their tenders. He also said that he was to meet his Quebec counterpart.

Could the hon. minister make a detailed statement today on this important matter of the sale of Expo-Express?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I believe the best thing would be to read two sentences from the news release given out this morning after the meeting.

They—the two ministers—acquainted themselves with the representations made by the city of Montreal. They have taken due notice of the *de facto* situation created by the sale made by the Canadian Corportation for the 1967 World Exhibition to the *Société Urbaine des Transports Rapides Inc.* of Montreal, following public tenders.

The two ministers had received information which led them to believe that nothing prevents negotiations between the interested parties. They share the hope that the needs of Montreal as well as of the other parties can be met equitably and satisfactorily.

Mr. Asselin: Mr. Speaker, a supplementary question.

As a result of that statement, can the minister confirm that the city of Montreal will buy Expo Express?

Mr. Pepin: Mr. Speaker, I have nothing to add to that text, which is extremely clear.

[*English*]

TRANSPORT

BRITISH COLUMBIA—COURT DECISION RESPECTING LEASED RESERVE LAND

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister a question that arises out of the brief presented to the government yesterday by the premier and cabinet of Prince Edward Island? What answer did he give the government of Prince Edward Island in regard to its urgent demand that tenders be called within a month for the resumption of the causeway project?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the premier presented to members of the federal government, including myself, a very interesting brief and we promised to look at it, study it and take into account the arguments therein in reaching a final decision, which we hope will be made in the very near future.

Mr. Stanfield: A supplementary question, Mr. Speaker. Does the Prime Minister accept the calculations put forward by the government of Prince Edward Island to the effect that maintaining a fleet of vessels to provide an adequate ferry service would cost upward of $1 billion over the next 60 years?

Mr. Speaker: The hon. member for Simcoe North.

LABOUR CONDITIONS

INQUIRY AS TO REPLACEMENT FOR WINTER WORKS PROGRAM

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. I put it to the acting minister on September 20, as found on page 270 of *Hansard*. The question was:

> —what program is being devised to take the place of the winter works program which has been discontinued—

At that time the acting minister said that he would refer the question to the minister for answer within a few days. We have not yet received an answer, Mr. Speaker.

Hon. A. J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, no new program is being devised to replace the winter works program, but we are accelerating as much as we can our special training program and we are concentrating as much of that training as possible in the winter months. For example, in the province of Ontario we have increased our allotment for this year by $15 million, which is roughly three times the amount spent in Ontario for winter works.

Mr. R. N. Thompson (Red Deer): A supplementary question, Mr. Speaker. First, may I ask the minister whether he has received representations from the advisory committee on manpower retraining for metropolitan Toronto that in that area there has been a drop in referrals to the federal government's adult training program? Second, could the minister inform the house why there is this cut-back in retraining since in view of recent statements it is expected that there will be increased unemployment during the winter?

Mr. Speaker: The second part of the supplementary question asked by the hon. member is argumentative.

Mr. Thompson (Red Deer): Could the first part of my question be answered, Mr. Speaker.

Mr. MacEachen: I have had representations from the group the hon. member mentioned, and I repeated to that group, as I have repeated in the house, that we have increased our expenditures in Ontario by $15 million this year. That is not a cut-back but a growth in expenditure.

Mr. Warren Allmand (Notre-Dame-de-Grâce): A supplementary question, Mr. Speaker. Will the minister say whether he has also increased the allocation for manpower retraining in the province of Quebec?

Mr. MacEachen: Yes, Mr. Speaker. We have increased the budget, I think, to $60 million from a previous amount of $48 million for that province.

Mr. Speaker: I do not think we should go much farther along this line. Perhaps the hon. member for Cape Breton-East Richmond wishes to ask a supplementary?

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, may I ask as a supplementary question why the hon. member from Quebec, whose constituency I will not name, was not aware of an increase even though he is a government supporter?

Mr. Speaker: Order, please.

Inquiries of the Ministry

[*Translation*]

INDIAN AFFAIRS

BRITISH COLUMBIA—COURT DECISION RESPECTING LEASED RESERVE LAND

On the orders of the day:

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, yesterday the hon. member for Skeena (Mr. Howard) asked me whether any application had been made for my department to participate in financing an appeal on a British Columbia superior court ruling on rented lands.

Representations were made to the department asking that it help pay the cost of an appeal on that ruling. The matter is now under study with the Department of Justice. As soon as a decision has been reached, I shall advise the hon. member.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, on page 48 of today's order paper you will see question No. 300, which I put there on September 27, about the authorization granted to a Cypriot ship, registered at Tamagusta, to sail between Montreal and Newfoundland. In the absence of the Minister of Transport, I would ask the Prime Minister if he could give us an answer. In view of recent events, I am wondering if it was not the *Christina,* a ship owned by Mr. Onassis of Greece—

Mr. Speaker: Order. The hon. member is not allowed to make a speech at this time.

Mr. Dumont: I will ask my question, Mr. Speaker, if you will let me.

I would like the Prime Minister to tell us if it was not the *Christina* which was preventing—

Mr. Speaker: Order.

Mr. Dumont: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Frontenac (Mr. Dumont) on a point of order.

Mr. Dumont: Mr. Speaker, yesterday, on a similar question put by the member for Prince Albert (Mr. Diefenbaker) you allowed comments to be made. I merely wanted to ask the right hon. Prime Minister if he had been kept by Mrs. Kennedy's husband from meeting her?

[Mr. Speaker.]

[*English*]

NATIONAL SECURITY

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Has Canada any indication that NATO secrets or other information essential to national security have been compromised in the security scandal recently revealed in West Germany?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I believe the answer to the question is no, but I should like to check.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question to the Minister of Justice, Mr. Speaker. Is the government now able and prepared to table in the house the report of the royal commission on security which has been promised?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I think the same question was addressed to the Prime Minister who gave a clear answer at that time, if I recall correctly.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Justice whether he is in a position to explain to the house how it is that a London daily paper was apparently able to print facts about the report of the commission on security and make reflections on the R.C.M.P. before the report has been tabled? In view of the interest which the Prime Minister has expressed about leaks from the B and B commission, I should like to know whether the hon. gentleman has taken any interest in these apparent leaks from the security commission?

Mr. Turner (Ottawa-Carleton): I am always interested in that sort of subject. I would think that here again, as in the case when a similar question was addressed to the Prime Minister, the Solicitor General would be taking whatever action he deemed necessary.

Mr. Stanfield: In view of the fact that it is not the Solicitor General's day, I hope some responsible person in the government will bring this matter to his attention.

AGRICULTURE

REQUEST FOR RE-ESTABLISHMENT OF ACREAGE PAYMENTS

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question I should like to direct to the Minister of Agriculture. It is a follow-up to a question I placed before him two weeks ago concerning the serious economic situation faced by western farmers as a result of loss of markets and inclement harvest weather. In view of these conditions, will the minister give consideration to making acreage payments to help in this emergency?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I gave a detailed answer to a series of questions yesterday which dealt with almost the same subject as does this question. If the hon. member will look at the replies I gave yesterday I think he will feel satisfied that we have a good program.

Mr. Speaker: Order, please. I think I should remind hon. members that we are running short of time.

Mr. Southam: A supplementary question. If the minister is giving consideration to this important matter, will he consider increasing the acreage payment to a maximum of $300 rather than the $200 currently provided for?

CANADIAN BROADCASTING CORPORATION

CONCILIATION BOARD REPORT ON DISPUTE WITH TECHNICIANS

On the orders of the day:

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, my question is for the Minister of Labour. Can he advise us whether he has yet received the report of the conciliation board which was set up to look into a dispute between unions representing technicians of the C.B.C. and the corporation itself?

Hon. Bryce Mackasey (Minister of Labour): Yes, Mr. Speaker, I received the report officially yesterday.

Mr. MacEwan: When does the minister intend to make this report public?

Mr. Mackasey: Under section 31, subsection 2, of the Industrial Relations and Disputes Investigation Act I have the right to return the report to the conciliation board with a recommendation that it be amplified or that certain areas be treated in greater depth. I have followed this course and therefore the report will not be published until a new version is officially brought to my desk in a matter of a few weeks.

LABOUR CONDITIONS

ST. JOHN'S, NFLD.—REPORTED WAGES BELOW PREVAILING RATES

On the orders of the day:

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I wish to direct a question to the Minister of Labour. On October 2 I asked the minister whether contractors working on urban renewal schemes were permitted to pay wages below prevailing rates as is now the case in St. John's, Newfoundland. Is the minister now in a position to answer my question?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, as the hon. member indicated at the time, this is indeed the case. I have found that the particular project to which the hon. member has referred involves $2,200,000 of federal funds. These funds were advanced by Central Mortgage and Housing Corporation and due to a technicality in the law the usual provision that prevailing rates should be paid was omitted. I may say I have informed C.M.H.C. that this is not my concept of justice or of the act, and I have suggested that in future they have regard to the principle implied in the hon. member's question.

Some hon. Members: Hear, hear.

BUSINESS OF THE HOUSE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the President of the Privy Council whether he can indicate the nature and order of business for this week and next?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. It would be the government's intention to call the post office bill until the house has reached a final decision on all its stages, thereafter to call the remaining stages of the bill to amend the Farm Credit Act, and then to call the second reading and subsequent stages of the prairie grain advance payments bill. When these three measures have been disposed of we propose to begin the debate on the budget and to spend the balance of next week on the budget debate. The actual time of calling any measure will, of course, depend on the time

taken by the house to deal with the preceding one, and is subject to any unforeseen contingencies.

Mr. Baldwin: Do I understand that it is the intention of the government that the house should deal with the post office bill before we can deal with the farm bills and that we will not be allowed to deal with the budget until the two farm bills have been completed?

Mr. Macdonald (Rosedale): Of course, if in the course of a particular debate we reach a decision on a stage in one or other of these three pieces of legislation, it will be up to the house whether to continue with that or go on to another bill. Certainly it is the hope that a decision will be reached on all three bills at an early date and that we can then proceed to consideration of the budget.

Mr. Baldwin: As a supplementary question, would the house leader give some consideration to discussing the matter of an extra sitting so we can get to these very important farm bills so essential to the economy of western Canada?

Mr. Macdonald (Rosedale): Mr. Speaker, I will welcome any opportunity to discuss with hon. gentlemen opposite a procedure whereby we can effectively get through the program in this house.

POST OFFICE ACT

AMENDMENTS AFFECTING RATES, ADMINISTRATION, SAVINGS BANK

The house resumed, from Wednesday, October 23, consideration of the motion of Mr. Kierans for the second reading of Bill No. C-116, to amend the Post Office Act, and the amendment (page 1623) thereto of Mr. Macquarrie.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, since the minister is new to this house one can understand his enthusiasm in wanting to exhibit his wares, his experience and his many abilities by trying to produce legislation fairly quickly for consumption by members of the house. But it has seemed to me and to other hon. members that so far the minister has not received the best of advice from his senior civil servants and colleagues. I refer first to the advice given him with respect to the pay of rural mail contractors during the recent postal strike.

I give full marks to the minister of at least being flexible enough to pay attention to

representations from both sides of this house and elsewhere and change his mind with regard to the advice he had previously been given. Likewise, after receiving representations from all quarters of this house and many other places with regard to cancellation of six day rural mail delivery, the minister again exhibited his flexibility of mind. He listened to those representations and made the necessary change so that six day rural mail delivery will continue.

Because the minister has exhibited a great deal of flexibility of mind and shown his willingness to listen to reason and sensible representations, I am quite surprised he has not followed the example of the Secretary of State for External Affairs (Mr. Sharp) who, when he was minister of finance in the last parliament, agreed to send a very elaborate piece of legislation amending the Bank Act to the standing committee on finance and economic affairs. Representations were made to the finance committee, witnesses were called and, if I recall correctly, the minister accepted some 40 amendments moved by members representing both sides of the house.

On another occasion a former minister of transport, Mr. Pickersgill, now head of the transport commission, presented an elaborate piece of legislation, the National Transportation Act. It was a complex piece of legislation with many ramifications, but after it received second reading Mr. Pickersgill agreed to send it to the committee on transport and communications and, as I recall, he accepted over 70 recommendations made largely by opposition members but some also made by government members.

That sort of thing is parliament at its best. It is true that it does not get much publicity in the press because it does not raise disagreeableness. But that is the way this house should operate. Although the Postmaster General (Mr. Kierans) appears to have made up his mind I still hope he will consider the excellent examples set in the past by his colleagues and friends.

The minister may reply: It is quite true that the Bank Act and the National Transportation Act were sent to committees but they were very complex bills; the postal bill is much less complex. To that I say that in view of two pieces of advice already given the minister which did not seem to be too good, and in view of the fact that the minister himself has reversed certain initial decisions, a case exists for sending this bill to a committee.

Senior post office officials may be very competent to advise the minister on the technicalities of letter carrying, delivering and so on but I submit that they are not competent to advise him on the public's wishes regarding this essential service. This has been demonstrated all too well so far. More than that, these senior advisers, I submit, are not competent to weigh adequately the long range effects of the minister's proposals with respect to rate increases.

Many representations have been made by weekly newspapers, daily newspapers and other organizations. I have one in front of me from the graphic arts industry. No doubt the minister has received these representations and so I will not take up the time of the house to go into them. However, these industries and the press have indicated that there may well be very disagreeable effects over the long-range as a result of the minister's proposals.

Recently I received representations from what I would describe as a weekly newspaper although in fact it is published twice a week. This kind of publication will not receive the same advantages under the proposed legislation as papers which are published only once a week. But for all practical purposes this kind of publication is a weekly newspaper. Things like this should be examined carefully.

Reference has already been made to an editorial written by Claude Ryan, who is well known to members of the house. In it he pointed out the danger to Canadian publications. I do not feel that the minister's advisers in the postal department are really able to advise him as well as other people in this country on the possible damage to Canadian identity by the loss of Canadian publications as a result of his proposals. Canadian identity is an important thing in our country at present. There is the possibility of the loss of valuable editorial opinion from the smaller papers.

We have seen recently how the big newspaper chains are growing. An example is the acquisition of the *Gazette* by one chain. The big daily newspapers seem to be falling into just two hands in Canada, and in the future we may well need the valuable opinion of smaller newspapers simply because the larger ones will have fallen into two hands which, I might add, may be a dangerous situation.

For these reasons the minister would be well advised to let this bill go to a committee. I cannot understand his rush. He has never explained it. He has mentioned November 1, and I understand that some of the proposed new rates will go into effect next February or March. Certainly a few weeks delay in passage of the bill could be entertained. As a matter of fact, if the minister would agree to send it to a committee he might suggest directly or indirectly through the committee chairman that a deadline be placed on the committee hearings.

Perhaps the minister is still considering sending the bill to a committee. If he does the committee could consider something else, although this might be gone into during committee stage in the house. I refer to the question of proper accounting by the postal department. I do not profess to be a chartered accountant although I have had some training in that regard, but the post office method of accounting seems strange. Of course government methods of accounting are always peculiar, particularly railway accounting, but the post office accounting is odd. All mail that goes out from government departments under frank is charged to the post office, which gives the appearance that the Post Office Department is bearing all this weight for other departments.

• (4:00 p.m.)

This is not a proper costing method. I believe it should be looked into. This point has been alluded to by other hon. members in this debate. My feeling is that we are not being shown a really accurate picture of the finances of the post office. The minister speaks of the great losses. There probably are losses, but I am wondering whether they are being accurately presented and whether they may not be as great as it is suggested they are.

The suggestion is made that we should pass this measure and get on with the budget. These proposed postal increases really are nothing but another aspect of the budget because these increases in effect subsidize other government departments. This certainly has an effect on the general finances of the country. I cannot see the need for haste in this regard.

The wishes of the people in the rural areas with regard to the six day week have been made very evident. I congratulate the minister for acceding to the wishes of the public in this regard. About 60 per cent of my constituency is urban and the other 40 per cent is rural. Never during the 15 years I have been

in this house have I had as many representations on any subject, including capital punishment, the flag debate and many other matters, as I have had concerning this matter. I have had more than 1,500 letters regarding the proposed five day delivery service. It is true that about 65 or 70 per cent of these were from people in the rural areas, but there were a substantial number from people in the urban areas. They objected to the loss of the Saturday delivery. I believe this is something which should be considered much more carefully by the minister before he reaches a final decision.

From the representations which have been made to me, it would appear that people do not object too much to increases in the postal rates if they can be justified. On the other hand, as has been mentioned earlier, the newspapers, both daily and weekly as well as bi-weekly and others, object very much because they feel they will be forced to raise their prices or advertising rates. Of course we know who will have to pay for the increase. It will go right back to the public. The minister may reply that if the rates do not go up in this manner then the cost will fall on the public in another way because the treasury will have to pay. I submit there is a greater inflationary pressure involved when advertising costs are passed on to the public than when the treasury is asked to make up any deficit in the Post Office Department. There may be room for argument in this regard, but I submit that this is indeed the case.

There have been many suggestions to the effect that our post office is very efficient. I believe that over the years the Canadian post office has been a model of efficiency compared with those of other countries, for example, the United States. This, however, can be said no longer. After consulting with a number of hon. members I find that their experience has been similar to mine. My home is in Woodstock and my experience in the past 15 years has been that letters mailed in Ottawa in the evening have been delivered in my city in the morning. During the past year I have found that sometimes this would be the case but that on other occasions letters would be delivered in three or four days. I find that other members have had exactly the same experience.

The minister is proposing an increase in the rates while the efficiency of the service is going down rather than up. If the rates are increased I hope we will see a more efficient operation in the Post Office Department. If for one reason or another the minister does not wish to send this bill to a committee for detailed study—and I believe that his officials are not qualified to advise the minister in respect of many of these matters—then I would hope that at some date, perhaps in six months' time, he would review this matter very carefully. The bill no doubt will be passed in due course. Therefore I suggest that he might undertake to review the whole matter at a later date, particularly in respect of the legitimate suggestions which have been made by responsible people.

I do not think this whole matter should be brushed aside on the ground that some people are engaging in some sort of small-time politics. I am sure the minister realizes that all members of this house are not always interested in playing some kind of small-time politics. Most members on both sides I believe have a genuine interest in improving conditions in the country.

Members of this house are faced with what I consider to be a most unsavoury proposal by the President of the Privy Council (Mr. Macdonald). In the 15 years I have been here I have never seen anything like it. We are told that until we pass the post office legislation we will not have the budget debate and indeed will not have an opportunity to return to the farm legislation. To say the least, this is a very shocking statement. I notice that the President of the Privy Council is not present at this time. I dislike making remarks of this nature about a minister when he is not present.

Since the Postmaster General seems to be reluctant to send this bill to a committee, I suggest that perhaps we might vote on the amendment and conclude second reading. When we reach the committee stage we might then have an opportunity to obtain some of the information we desire. Although we would prefer that the bill be studied in a standing committee of the house, at least in committee of the whole we might be able to obtain some answers.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to comment briefly on the proposed amendment to Bill No. C-116, to amend the Post Office Act. As we all know, the amendment before the house would have the result of referring the bill to the standing committee on transport and communications. I fully support the amendment. It must be clear to every member of the house who has

listened to the debate that the proposed legislation should have a thorough review. It seems to me that it would be very foolish to push this legislation through in haste and then find we have created more problems than we have solved.

• (4:10 p.m.)

At this time members are receiving communications from their constituencies which make it crystal clear that there are many side effects to this legislation about which we should have some information before we make it law. There is nothing wrong with the idea of a committee examination of this legislation. Surely this is the way democracy works. We have all heard both inside and outside of this house what people think about this legislation and how it will affect them. Many of them have asked for a review by a committee. They want to express their views and explain their positions. Frankly, I am of the opinion that they should be given every opportunity to do so. Every organization in this country should be given the opportunity to express to the Postmaster General its feelings as to the effect of this legislation. It is for that reason I plead with members of the house and the Postmaster General not to be stubborn but to allow the referral of this matter to a committee where a proper study can be made.

Quite frankly, I am not opposed to an increase in postal rates in certain categories. Practically every member of this house is, I believe, of the same opinion, that an increase can and should be effected. Let me point out, however, that to increase rates and reduce services at the same time is not the way we in Canada wish to see postal services operated. Some increases in postal rates will have a very detrimental effect on certain segments of our population. It is not my intention to repeat the details that have been pointed out by hon. members before but there are one or two aspects of this legislation I intend to draw to the attention of the minister.

It seems to me that sometimes we do not pay enough attention to the effects that certain legislation will have on the rural areas. I represent a riding in British Columbia of which a large part consists of rural communities. That is one reason I want this legislation to be reconsidered by a committee. We should certainly determine whether these rate increases are to be passed on to the consumer, particularly whether the increases in newspaper rates will in turn be paid by the rural readers.

From the information I have received from my own constituents and from other people in Canada I gather there is going to be a very sharp increase in the cost of newspapers, and I refer primarily to daily newspapers. I am told that the Nelson *Daily News* has been in contact with the department and has indicated that the newspaper rate is going up by at least 25 per cent. This increase will be paid primarily by the people in rural areas who must receive their papers by mail.

I subscribe to a number of daily newspapers. When I am at home I like to read the papers of larger urban centres like Vancouver. This increase in postal rates will almost completely eliminate my subscriptions to these newspapers. Surely this must be true of many people in Canada if this increase is to be passed on to the consumer. These people are not going to be in a position to pay the increased rates. The fact is as simple as that.

One example of this feeling was expressed in an editorial in an Ottawa newspaper. It was suggested there would be a $20 per year increase in cost to rural readers. The members of this house know what will happen. Hundreds of these rural subscribers will cancel their subscriptions. Whatever enjoyment can be obtained by reading these newspapers will be denied to those people who live in rural sections of Canada. I object very strongly to this.

People living in rural areas are the last to receive adequate television and radio coverage, the last to get good roads and educational facilities, but they are the first to be hit by increases of this type. Surely we should examine thoroughly all aspects of this legislation in a committee. These people should be allowed to make representations to us. We should have another look at the legislation to determine whether there is something we can do.

There is no doubt that the Postmaster General and his staff examined this legislation before bringing it before the house, but surely they did not thoroughly examine the problems which will arise. Had they done so they would not at the last moment have announced to the country that the government had changed its mind in respect of rural Saturday delivery. At the outset the government indicated it intended to stop Saturday delivery throughout Canada. When the Postmaster General began to realize the problem this would create in rural areas he changed his mind. So as far as I am concerned, Saturday mail delivery in urban areas should also be

continued. It is sheer and utter nonsense to introduce a sharp increase in postal rates while at the same time curtailing service in certain areas.

These are some of the answers we should have before we pass this legislation. How is it going to affect the postal workers? What effect will it have on the over-all employment picture? What effect will it have on the earnings of postal employees? These are all problems which face members of this house and we should know the answers to these questions before we are asked to vote intelligently on this measure.

I should like to bring this fact to the attention of the minister. There is a need for an extension of postal services in an area of my riding. I refer to the Castlegar-Kinnaird area. These communities have grown rapidly. Most of the mail is received by the Castlegar post office and distributed from there. This is a fairly densely settled area. There should be greater postal service in this district. I ask the minister to consider this situation and provide the greater service which I think we should have in this modern day and age.

• (4:20 p.m.)

There are one or two more points I wish to make before resuming my seat. We have talked about the rates of increase in the various postal categories. As I said before, some increase is certainly warranted; it has to come. But, again, the rural people are hit the hardest. For example, we have had an overall increase of roughly 25 per cent in respect of money orders. The minister indicated this some time ago. People in rural areas do a great deal of buying through catalogues and the local post office and they have to foot a big chunk of this increase. They have to pay the additional charge simply because they live in rural areas and do their shopping through the mail.

One can go right down the list of postal increases and find that the people hardest hit are those who live in rural areas. These are the pioneers of this country who have moved into the wildernesses, hacked down the trees and built communities. These are the people who have helped build this great nation in which we live. This is why I ask the Postmaster General and members of the house not to be in such a terrific hurry to pass this legislation. Right now there is more urgent legislation on the order paper which could and should be debated in the house.

I appeal to hon. members, when this amendment comes to a vote, to vote to refer the question to a committee where every aspect of the problem and the side effects thereof can be taken into consideration before the legislation is passed. I do so because this measure may cause far more headaches than it will cure.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would also like to urge the minister to consider sending this bill to a committee for study. I have been interested in following the career of the Postmaster General (Mr. Kierans) and have had the opportunity of meeting and getting to know members of his family who have some very far advanced ideas. I was impressed with the approach of the Postmaster General to the operation of the post office, but I would think that if he were sincerely interested in really doing something for it he would refer this legislation to a parliamentary committee so that he might gain enlightenment on whether the post office should be a department of government or a crown agency. I think there is a great deal of merit in considering this proposition because one would be able to say: We will subsidize certain aspects of the problem but the over-all operation must pay for itself. This, of course, has not always been true of crown corporations, but it has been true of those countries which have set the postal department apart from other departments of government and have made it a crown corporation or operated it as a separate agency.

I do not think we in Canada have done too badly with our post office. Over the years we have developed it into a highly satisfactory service. In my part of the country we have in the last five years been plagued with a decrease in mail and postal services. This has resulted from the discontinuance of the operation of mail service cars to many rural areas. Many years ago, when the railway first went into northern Ontario, letters would be sent by train from one point to another and post office employees sorted the mail on the trains. If a letter was going only 20 miles the sorter in the car would see that it was put off at the next post office.

It is now possible, with our modern technology and advancement, for a letter addressed to someone in the next town 20 miles away, to be put on a train in northern Ontario, carried to Toronto, sorted there, reshipped to Kirkland Lake or Timmins and reshipped from there in another mail bag. In some cases it will take 30 days for a letter to reach a person 20 miles away. Therefore I question whether we have really improved this service very rapidly when we have not

been able to deal with the problem of changing transportation facilities.

This is also a problem in the United States. In that country all sorts of systems have been tried to speed up the delivery of mail. Sorting the mail while in highway transportation has been tried. I understand that a gyro-stabilized truck is used whereby the body of the truck moves with the contours of the road. I am told they have not been able to find employees who can work in these trucks because people become sick operating under these conditions. We have not been able to replace the railroads in this regard. This is just one example of the changes that have been made in the delivery of mail. They are not always advantageous.

Some of the suggestions made by the Postmaster General—and I agree with the previous speaker in this respect—are probably necessary and some of them may even be advantageous. But I believe we still have not really faced the problem—and the minister will have to face it—of what does and does not make the service pay. Then we have to be honest about cutting out those things that do not make the service pay and considering those that do make it pay.

First class mail was a problem six months ago. It is not any more a problem now than it was at that time. It was an immediate problem when we were considering raising the postage rate for first class mail. First class mail is not the culprit. We are not getting as good a service as we did. The new proposals would reduce the service in all areas and yet we would have to pay more for it. It really will not make any difference to Eaton's catalogues. It will not make any difference to our throwing away what I might call household mail, or perhaps even to the mail members of parliament send to their constituents, which we think has some merit. The same thing applies to Eaton's; they believe their flyers have some influence on the recipients, but this is not always the case.

However, this change in service will make a great difference to those operating a business and using first class mail where other services are not readily available. There are many such areas in Canada. There are in this country many areas where mail is still the main source of communication and five-cent, first class, mail is the means of communication by which business is conducted. These people are not able to take advantage of some of the less expensive means of communication for business purposes. They have to operate through the mail and they are the ones who will be penalized.

We have talked a great deal about some of the changes that could be made. Yet *Time* magazine and *Reader's Digest*, those pseudo-Canadian magazines, are costing a great deal more than the minister will gain by way of increasing the postage rate of first class mail. These are just two items in the total picture.

I believe the committee should make a decision on this question. We are all aware that the status of *Reader's Digest* and *Time* magazine was a political decision which really had nothing to do with good housekeeping or good bookkeeping. Therefore the minister should not be greatly influenced by that argument, because as I understand it he looks at things on a dollars and cents basis. The argument that was used in respect of *Time* and *Reader's Digest* does not fit into that category.

• (4:30 p.m.)

The minister will probably not give much consideration to the arguments which have been put forward by those interested in maintaining the delivery in rural areas of dailies and more particularly weeklies perhaps because he may consider them to be based on sentimental rather than economic reasons. We know that three newspapers have closed down, one of them being the *Family Herald and Weekly Star*, perhaps not as a result of the anticipated increase in postal rates but because they had been operating on a very slim margin. For city dwellers this may not matter much one way or the other, but for those who have been raised on the farm and who are living in the farming community *The Western Producer*, the *Family Herald and Weekly Star* and the Winnipeg *Free Press Weekly* have been more than just newspapers. For many years they have served many functions on the farm. I suppose they were more useful on farms than anywhere else. They were read from cover to cover. When one got up in the morning one could light the fire with them. I see there are some hon. members here who remember to what uses these newspapers could be put. They played a great role in helping the farmer doctor his cow if she was sick. A farmer could increase his wife's culinary achievements by pointing out to her new recipes contained in these papers, and his children could read the comics. There was something in them for everyone, and a sentimental value was attached to them which I think was worth more than the money they cost.

I believe I pay $18 a year for a subscription to a local daily paper. With the proposed change it will now cost me $35. I know there are other people in the area who buy the same newspaper. Let me give the house an illustration. There is a small community which has been served by the railroad but this branch line is now being closed. The post office there is having some difficulty in providing mail service to the community. If the people there are lucky they will have mail delivery twice a week. However, before their mail reaches them there is a delay of perhaps three or four days. If anyone reads a newspaper in that area it will be a week or a week and a half old before he gets it. I believe the newspapers will find a great curtailment in subscriptions from that rural area.

Many changes should take place in the Post Office Department. Over the years I have been pleased to see that there has been a change in patronage in the operation of post offices and I think the Conservatives may be given some credit for it. I know this practice will continue but it is not as flagrant as it used to be. Post office officials are becoming more and more aware of their responsibility in recommending who should be appointed to be in charge of local post offices, who should get contracts and whether or not tenders are sufficiently high to sustain the required service. Formerly the tender system, particularly with regard to rural mail, was notorious in that a person could make a bid which would be accepted by the Post Office Department although it was well known that the bidder could not deliver mail with a horse and buggy at the price at which he bid. In many cases the local offices are now assisting people in their bids so that this problem does not exist to such an extent. We are also not running into the problem of a change in local post offices after an election which puts a new government in office.

I am still concerned about the number of requests that have come across my desk from people in my area asking for a new post office. I find that one has to go through the procedure of asking for a survey to be made to ascertain whether or not a post office in that area would bring revenue and whether premises should be rented or built. It seems to me that the officials in the Post Office Department are sufficiently well trained and able so that a member of parliament should not have to go through the process of asking for a survey to be made but should be able to write and ask them for a copy of the survey which they have made. This information should be brought up to date continually if the department is to be run in a businesslike way.

One person writes to me periodically asking that a count be made for the establishment of a postman's route for house delivery. Of course, sometimes this is a shady business. The mayor of the town may be opposed to a postal route in that area because he thinks that if people received their mail at home they would not walk by his store and he might be out of business. This is a pretty old-fashioned philosophy but the mayor may make so much fuss that the Post Office Department does not wish to oppose him after he has appeared on television and explained his point of view. These are the things which the minister should consider changing if he wishes to bring the act up to date.

I believe that the department should operate separately as a crown corporation or as a separate agency which would report periodically to parliament. I do not wish to become involved in the operation of the Post Office Department any more than I have to, and I hope other hon. members also feel that way. All we would have to do then would be to decide to what extent we want to subsidize such an agency, and instructions would be given by parliament toward that end.

I believe that referring this matter to a committee will assist the minister in deciding on the over-all direction which the Post Office Department should take. Judging from the remarks which the minister has made since he has been appointed Postmaster General and, even more important, before he came to this place, it is apparent at least to me that he has a business sense and wants to run the department in a businesslike way. If that is so, parliament should have the opportunity to decide on what kind of department we want before we give the Postmaster General the task of developing it. Therefore I hope the bill will be referred to a committee. I support the amendment.

• (4:40 p.m.)

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, the hon. Postmaster General (Mr. Kierans) and his government, in spite of all the representations made to them, are determined to keep to the main lines of Bill No. C-116. As everyone can see, they will only concede some points with regard to second

class mail to the recalcitrant members of the Liberal caucus. As for the rest, the guillotine of the Post Office Department is to work to the full.

In spite of everything, the question remains open. The minister is impatient to see this bill passed, but if he wants a quicker solution, let him refer the bill as soon as possible to a committee in order to get some good suggestions.

I must first point out the brutality of the suggested increase in rates for second class mail, and particularly for the dailies and the weeklies sent from here and elsewhere in Canada.

Regardless of any other consideration, that increase, by its size alone, is unreasonable. I might be allowed to mention that, if this new rate is enforced, contrary to our demands, it will mean a further expenditure of $75,000 a year for one daily alone. Up to now, postal charges accounted for about 2.9 per cent of the whole management budget of a newspaper; in the future, they will account for more than 6.4 per cent. This has been decided without previous warning, without any awareness of it nor the least consideration for contract commitments which, in some cases, bind the newspapers for a period of time overlapping the coming into force of the new postal rates. We cannot remember of any economic sector being hit as brutally as this one, these last few years, by a government. We cannot remember of any Canadian government which has behaved in such an inconsiderate manner towards the daily press and which resorted to similar means to express its opinions. Even the size of the additional charges which the Postmaster General and his colleagues are about to impose on some newspapers shows the rash contempt for the role of those communication media.

I am now quoting from a brief under date of October 17, sent to the hon. Minister by *Les Quotidiens de Québec Inc.*

> In a democratic system, the citizen has a right to be informed. It is the role of the press—and in particular the written press—to collect and circulate information.
>
> But the net result of the measures now contemplated by your department to solve an administrative problem is to interfere with that right of the citizen to be informed and with the freedom of the press to publish the news.
>
> We therefore submit that those reforms must be postponed so that a more exhaustive study can be made of the problem which makes them necessary and the advisability and terms of the possible application of efficient and fair corrective measures.

That a government should dare to increase so much in a single year the rates for such a vital service as this one is in itself a real scandal that can never be deplored enough. The Postmaster General is trying to justify his bill by mentioning the disastrous deficits that the mailing of newspapers entails each year.

In that regard, I would like to say three things. First of all, I question seriously the calculations on which the Postmaster General's argument is based. He said recently, at a meeting with newspapers editors, that shipment by mail of a daily newspaper like *Le Devoir* or *La Tribune* of Sherbrooke, for example, was costing the government $385,000 a year, for a total of about six million copies.

Evidently, those figures do not stand up. Furthermore, the member for Lambton-Kent (Mr. McCutcheon) gave to the house the example of the London *Free Press* to place this vital question in its true context. The minister's officials established arbitrary averages which do not take into account all the operations involved in the administration of a newspaper as, for example *Le Devoir,* or *La Tribune* of Sherbrooke, averages which are misleading and unfair, in fact.

Let us take the example of the many thousand copies of Quebec newspapers distributed every day which are carried to Quebec City at the expense of their editors, whether they are for mail delivery by mail or by newsboys, or for newstands sales.

At the point of arrival, some are deposited at the post office, for delivery by the Post Office Department services, some are either directed to the depositary or delivered at their destination by carrier. In these last two cases, the cost per copy is averaging 25c.

How can the Postmaster General reach a cost of 65c. per copy in his calculations, when his services are in most cases doing less work than the newspapers to ensure delivery to other categories of subscribers or readers in the same area? The hon. member for Lambton-Kent said in the house that the averages put forward by the Postmaster General seemed suspicious to him, and I agree with him.

Liberal members have the duty to inquire further, instead of admitting with closed eyes that the averages put forward by the minister are correct. He has handed out to the members a lengthy document full of figures to support his argument. This document gives comparative figures on the first and third

class mail tarifs in various countries, of which the United States. It would seem that, by accident, this document does not give comparative figures on second class rates in the United States and in Canada. Yet, the Post Office Department was supplied with those figures. They proved beyond a doubt that the proposed increase in Canada was simply extravagant compared with the one adopted in the United States.

The American government decreed an increase of approximately 15 per cent over a three-year period; this increase was supposedly reasonable. Canada stupidly accepts a total increase of 200 per cent over a year, when barely a year ago the rates were roughly the same in both countries.

Is this how the Postmaster General and the Prime Minister (Mr. Trudeau) intend to encourage dynamic Canadian publishing? Which of the American or Canadian publishers have the most difficulty in firmly setting themselves up under the American sun?

The Liberal government also intends to adjust the rates applied to two American publishers. The member who spoke before me mentioned this. I mean, the *Reader's Digest* and *Time*. But we can see to what extent he follows his traditionally prudent and servile reflexes when he attacks really powerful institutions.

• (4:50 p.m.)

In the case of dailies, they will have to pay in postal charges nearly three times more than what they are paying now, that is $6,250,000 as compared with their present expenditures of $2,250,000. As far as the *Reader's Digest* and *Time* are concerned, the government draws in its claws. These two publications pay at this time $422,000, they would be paying $747,000, that is only 80 per cent more. I hate making comparisons, I find them odious in many respects, but we disapprove of a government that compels, us to do so, because it is unfair.

The Postmaster General has feigned to be a prince in continuing the rural mail delivery service on Saturday. We rejoice with the residents of rural areas for this major concession. This concession, however, does not solve the problem that would create for thousands of subscribers to a newspaper, the general suspension of the mail delivery on Saturdays, in urban centres.

Would the Postmaster General accept, for example, that in centres such as Chicoutimi, Rivière-du-Loup, Sherbrooke, Rimouski, Saint-Hyacinthe, Nicolet, Drummondville, Trois-Rivières, Thetford-Mines or Plessisville, at least the post offices would be opened on Saturday mornings, so that citizens could go and get their mail? Will he find another way to deliver the mail to them on that day? Would he be ready to provide for newspapers deprived of a delivery service to which they are undeniably entitled, financial compensations to permit them to plan otherwise?

The Postmaster General admitted the other day that every citizen is entitled to an equal service from his department. He must recognize, in consequence, that this principle is equally valid in the case of citizens and concerns using postal services for the delivery of their goods or products. The compromise announced by the Postmaster General solves only a small part of the problem deriving from the proposal to eliminate the Saturday mail. Will the victims have to yield once more to the purpose set by the Postmaster General without any means of redress, any compensation?

In his desire to nationalize the operations of the postal service, the minister is trying to reach a necessary objective. In his desire to bring rates to a more realistic level, he is equally partially right. But on the basis of such legitimate objectives, he goes astray in acting with a precipitation that can but betray the superficial character of his investigations on this question. The postal rate problem is a capital and complex matter. It must be thoroughly considered by parliament and the public.

Should the Postmaster General succeed in having this bill passed at full speed without accepting to make a more thorough investigation, as required by the opposition, he may be sure he will have dealt a treacherous blow to many institutions who deserved better than that. He will not be forgiven for having shown himself as a lamb with the outsiders and as a tyrant with his own people. The same reprobation will encompass the sheep that will follow him without further scrutiny, and those sheep, Mr. Speaker, are those Liberal members who do not even care to rise in the house and say something. Yet, when these Liberals were elected, the daily newspapers were their best propagandists. Today, only the members on this side of the house, namely we from the Ralliement, who are the official opposition from the province of Quebec, are giving the example of good work, and yet the newspapers barely say a word about our just contributions. Nevertheless,

since we feel this bill is unjust, we rise in spite of the fact that this is a majority government, and we are standing for newspapers, like the Sherbrooke *Tribune*, that never say a word about us, newspapers reaching places like Plessisville and Thetford Mines and newspapers like *Le Devoir*. Those newspapers had hoped for the coming into power of this majority government. As for us, accustomed as we are to be accused from all sides, we still say that Bill No. C-116, as introduced by the Postmaster General, is unjust and that is why we ask that it be referred for a more thorough consideration, so that the necessary amendments may be made.

Mr. René Matte (Champlain): Mr. Speaker, as some of my colleagues who stated their views on this motion, I would like to underline a few other points.

When, on October 8, the minister brought in his resolution, I had already mentioned the unpopular reaction about Bill No. C-116. I remember that when I stated my point of view, no newspaper mentioned it and this is why we are somewhat astonished at such an insistence by those who, in this house, are going to the aid of the newspapers which objected; they have just understood that they should object. The alarm was sounded right away and they have just understood that we were right when we objected and that it was not just empty words. I would like to take up certain statements of the hon. member for Trois-Rivières (Mr. Mongrain) who is not here at the present time. I would have like him to be here.

The hon. member for Trois-Rivières is well known for his verbal acrobatics, and he hurled yesterday some untimely invectives against the leader of the Ralliement Créditiste (Mr. Caouette). However, we are used to that, and we simply continue to express our views freely.

For this reason, I remain very happy to belong to a party whose members are truly free and can express and reflect exactly the views of their constituents. The hon. member for Trois-Rivières has told us that he holds to the basic principle that those who use the service are the ones who should pay. We should determine who these users are. The hon. member for Trois-Rivières seems to think that the users are those who send newspapers, parcels and letters; however, that is not the only point to be considered. The fact is that newspapers are not a luxury; the publishers and those who receive newspapers must pay the cost.

There are areas—and this is the case in my district—where television is non-existent and radio almost non-existent too. Such a situation exists in the northern part of the district of Champlain, La Tuque and up to Parent. The newspaper is then the only means of information for the people of these areas. As a matter of fact, every family does get a newspaper; newspapers are very popular there. It is already rather expensive for the people to have to pay $20, $25 and $30 for the subscription to their newspaper. If the cost of the service is going to be passed on to the readers—as obviously the cost of subscriptions will be increased after this legislation has been passed—it is once more the people who will have to pay. Therefore, at first sight, the hon. member for Trois-Rivières seems to be sensible when he says that the users will foot the bill, but if you take a closer look at the situation, you realize that the users are everybody. So, let us be careful in that regard.

I come back to the arguments which I put forward early in October to the effect that it is truly a public service and that if the Post Office Department used to pay its way, why can it not do so today? We should seek the reasons which make the Post Office Department uneconomical. What are the true reasons? If the Post Office Department acts as a milk cow for other departments, of course it will show deficits. Planning or administration may be lacking, then let us consider the matter further. That is why we support the motion to refer this bill to a committee, because the question should be considered in depth, we should get more information and find out what methods are used in the operation of the Post Office. I should like to see an attempt made so that the Post Office Department would become economical. In my opinion, what prevents it from paying its way is simply mismanagement. We should correct that mismanagement instead of increasing the cost of the postal service.

• (5:00 p.m.)

As the hon. member for Lotbinière (Mr. Fortin) suggested yesterday, if, at least, we were sure that next year we shall not be told: Unfortunately, the Post Office Department once more is in the red, the postal rates will have to be raised again. If, indeed, we were sure that the service will pay its way, but even that certainty is not available. Past experience demonstrates beyond doubt that this never happens and that the rates increase constantly.

Therefore, Mr. Speaker, in my opinion, any animosity or partisanship should be set aside, and the possibility of the bill being examined under all its facets in committee should be seriously considered, so that we might decide on that bill only once in possession of all possible information. Such was the particular point I wanted to stress.

When will we be given an explanation why the expenditures of such or such department are included in the Post Office Department budget, why the Post Office Department which once yielded profits is no longer making any, in a word when we shall know the specific reasons for those deficits, we shall then be able to judge in a much more objective way, since all those to be hurt by that legislation, all the weeklies—as was pointed out by my neighbour, the hon. member for Richmond (Mr. Beaudoin)—and the dailies have sent us a number of protest telegrams. So, all what was said by those who complained, who showed that this bill is running counter to something quite popular, all that should indeed be taken into consideration.

And I should like to mention at this stage the serious periodicals which do not have a large number of subscribers and which therefore must ask a high subscription rate. They would need a larger circulation which is impossible at the present time for the very reason that the cost price is too heavy. Now, we must not forget that some of those periodicals are doomed to disappear, especially the French-Canadian periodicals. The French-Canadian periodicals in America only have 6 million subscribers. The problem is still more serious when one thinks of the French-Canadian periodicals which will have to disappear. It would be most inappropriate at the present time to encourage their disappearance, when French Canadians urgently need culture and information. It is certainly not the time to stop their publication. I would like to state some precise examples. Let us take the case of the magazine *Relations* which is considered as serious and noteworthy. It is not popular, in the sense that it does not have a large distribution, but for a population of a few million, it is normal that the more a magazine is serious, the more the number of its subscribers is limited, since it is not essentially popular. Now, this is the problem we should consider. It must be kept in mind that this measure will affect the entire population since everyone subscribes to, or buys newspapers, and once again the people will foot the bill.

[Mr. Matte.]

Secondly, French periodicals will be particularly affected since they do not have enough subscribers to stay in business.

So, for all these reasons, I believe that we should think twice before doubling, or tripling indeed, the postal rates. Let us forget about partisanship and consider the possibility of other solutions.

Here is once again my solution. We should know exactly what causes such deficits, in what specific cases the Post Office Department must come to the financial assistance of other departments and why. Through this information and the restoration of sounder, more reasonable and more scientific management, perhaps such increases would not be required.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have no intention of delivering a speech because I did so yesterday. I simply wish to put a question to the minister.

Would the minister tell us at this stage what progress has been made towards the setting up of a task force the purpose of which was to determine whether or not the Post Office Department should become a Crown corporation? Has the task force been established? If not, when does he expect to set it up? If so, can he give us some idea as to the progress made in the discussions?

Hon. Eric W. Kierans (Postmaster General): Those questions should be asked in committee, Mr. Speaker, but I have already answered them. That task force is already in existence.

Mr. Fortin: Mr. Speaker, the minister should not hesitate to provide further details so that the members may know what stage has reached the study of the problem arising from the Post Office Department.

[*English*]

Mr. McIlraith: In the committee stage.

The house divided on the amendment (Mr. Macquarrie) which was negatived on the following division:

• (5:10 p.m.)

YEAS

Messrs:

Aiken	Carter
Alexander	Coates
Baldwin	Crouse
Beaudoin	Diefenbaker
Bell	Dinsdale
Benjamin	Dionne
Brewin	Dumont
Broadbent	Fairweather
Burton	Flemming

Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harding
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
La Salle
Laprise
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
MacRae
McCleave
McIntosh
McKinley
McQuaid
Matte
Mazankowski
Monteith
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Noble
Nowlan
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rose
Rynard
Schreyer
Schumacher
Skoberg
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams
Yewchuk—78.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Béchard
Beer
Benson
Blair
Blouin
Boulanger
Breau
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Côté (Richelieu)
Cullen
Cyr
Danson
Deakon
Douglas
Dubé
Duquet
Émard
Éthier
Forest
Forget
Foster
Gendron
Gervais
Gibson
Gillespie
Givens
Goode
Goyer
Gray
Greene
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Kierans
Lachance
Laflamme
Lang
Langlois
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacGuigan
McBride
McIlraith
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mongrain
Morison
Munro
Murphy
O'Connell
Olson
Orange
Ouellet
Pelletier
Penner
Pepin
Perrault
Pilon
Portelance
Pringle
Reid
Richard
Richardson
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Ryan
Serré
Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—126.

• (5:40 p.m.)

Mr. Speaker: I declare the amendment lost.

Some hon. Members: Question.

Mr. Speaker: Is the house ready for the question on the main motion?

Some hon. Members: Question.

The house divided on the main motion (Mr. Kierans) which was agreed to on the following division:

YEAS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Béchard
Beer
Benson
Blair
Blouin
Boulanger
Breau
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Côté (Richelieu)
Cullen
Cyr
Danson
Deakon
Douglas
Dubé
Duquet
Émard
Éthier
Forest
Forget
Foster
Gendron
Gervais
Gibson
Gillespie
Givens
Goode
Goyer
Gray
Greene
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson

Division

Kierans	Pringle
Lachance	Reid
Laflamme	Richard
Lang	Richardson
Langlois	Robinson
Leblanc (Laurier)	Rochon
LeBlanc (Rimouski)	Rock
Lefebvre	Roy (Timmins)
Legault	Roy (Laval)
Lessard (LaSalle)	Ryan
Lessard (Lac-Saint-Jean)	Serré
Loiselle	Sharp
Macdonald (Rosedale)	Smerchanski
MacGuigan	Smith (Northumberland-Miramichi)
McBride	Smith (Saint-Jean)
McIlraith	Stafford
McNulty	Stanbury
Mahoney	Stewart (Cochrane)
Major	Stewart (Okanagan-Kootenay)
Marceau	St. Pierre
Marchand (Langelier)	Sulatycky
Marchand (Kamloops-Cariboo)	Sullivan
Mongrain	Thomas (Maisonneuve)
Morison	Tolmie
Munro	Trudeau
Murphy	Trudel
O'Connell	Turner (London East)
Olson	Wahn
Orange	Walker
Ouellet	Watson
Pelletier	Weatherhead
Penner	Whelan
Pepin	Whicher
Perrault	Whiting
Pilon	Yanakis—126.
Portelance	

NAYS

Messrs:

Aiken	Korchinski
Alexander	Lambert (Edmonton West)
Baldwin	Laprise
Beaudoin	LaSalle
Bell	Latulippe
Benjamin	Lewis
Brewin	Lundrigan
Broadbent	MacDonald (Egmont)
Burton	MacEwan
Carter	MacInnis (Cape Breton-East Richmond)
Coates	MacLean
Crouse	Macquarrie
Diefenbaker	MacRae
Dinsdale	McCleave
Dionne	McIntosh
Dumont	McKinley
Fairweather	McQuaid
Flemming	Matte
Forrestall	Mazankowski
Fortin	Monteith
Gauthier	Muir (Cape Breton-The Sydneys)
Gilbert	Muir (Lisgar)
Gleave	Nesbitt
Godin	Noble
Grills	Nowlan
Hales	Orlikow
Harding	Paproski
Hees	Peddle
Horner	Peters
Howe	Ricard
Knowles (Winnipeg North Centre)	Ritchie
Knowles (Norfolk-Haldimand)	Rose
	Rynard
	Schreyer
	Schumacher
	Skoberg
	Southam
	Stanfield
	Stewart (Marquette)
	Tétrault
	Thomas (Moncton)
	Thomson (Battleford-Kindersley)
	Valade
	Winch
	Woolliams
	Yewchuk—78.

[Mr. Speaker.]

Mr. Speaker: I declare the motion carried.

Bill read the second time.

BUSINESS OF THE HOUSE

MOTION TO EXTEND SITTING

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

That the ordinary hour of daily adjournment of this house this day be extended beyond 10 o'clock p.m. until 11 o'clock p.m.

• (5:50 p.m.)

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

Some hon. Members: Agreed.

Motion agreed to.

POST OFFICE ACT

AMENDMENTS AFFECTING RATES, ADMINISTRATION, SAVINGS BANK

Hon. Eric W. Kierans (Postmaster General) moved that the house go into committee to consider Bill No. C-116, to amend the Post Office Act.

Motion agreed to and the house went into committee, Mr. Faulkner in the chair.

The Chairman: Order. House in committee of the whole on Bill No. C-116, to amend the Post Office Act.

On clause 1—*Oaths.*

Mr. Hees: Mr. Chairman, may I call it six o'clock?

The Chairman: Is it agreed?

Some hon. Members: Agreed.

The Chairman: May I point out that we shall not proceed with the adjournment proceedings this evening. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order. Shall clause 1 carry?

Mr. Hees: Mr. Chairman, in the past week we in this house and people in the country have twice experienced action by this government which has very materially increased the cost of living of every Canadian. The first such experience was the announcement in the postal measure before us that postal rates will be very, very much increased. The second serious rise in the cost of living that we have experienced in the past week was on Tuesday night, when the Minister of Finance announced that there would be a 2 per cent increase in income tax, which the government tried to glorify by calling it a social development tax. Of course everybody knows it is not that at all; it is simply a 2 per cent increase in personal income tax and is no more and no less than a measure to bail out a government that has completely lost control of its expenditures, and requires the taxpayer to bail it out, at very great cost to himself. As I say, Mr. Chairman, both these measures have very much increased the cost of living to the ordinary citizen.

Our experience has usually been that when there have been price increases to the consumer, the ordinary citizen has received an increase in service; that is, you pay more but you get more for it. But this measure is quite the reverse. Postal services will cost the Canadian people a great deal more, and they will receive far less service than they did before the increase.

Why should we suddenly be shouldered with this very, very steep rise in costs? A very short time ago the postmaster general of that day told us that the Post Office Department was paying its way and showing a surplus of many millions of dollars. Now, a short time later, quite the reverse is the case. The answer of course is that as in the case of general expenditures, as expressed through the budget as a whole, where costs have risen astronomically during the past five years and are today completely out of control, the Post Office Department has lost control over its expenditures and the taxpayers of Canada have to bear the brunt of the government's inefficiency in this important department.

One of the most important increases in cost to the Canadian people, aside from the fact that they will have to pay more for every letter they post, every parcel they send through the mail or any way in which they use the post office, is the sharp increase in the cost of that very important news medium, the newspapers. We all know that newspapers today, as they have been for many, many years, are a very real necessity of life to all people in this country, as they are to all people in every country. It is true that we have television and radio to give us the news, but most people, in addition to listening to the radio or watching television, want to be able to sit down quietly and study the news at their leisure. There is nothing that takes the place of the newspaper, and people like to absorb the news in this way.

As we know, Bill C-116 greatly increases the cost of distribution of our newspapers, whether they be dailies, semi-weeklies, tri-weeklies or weeklies. We also know that as in the case of all other costs of production, the greatly increased costs of distribution which will be imposed by the government through so materially increasing the postal rate of newspapers, as well as other things that go by mail, will be passed on, as in all other cases, to the consumer, the person who receives his newspaper.

The publishers of our various newspapers, our dailies, tri-weeklies, bi-weeklies and weeklies, have through their representative associations asked this government for the right to appear before the appropriate committee of parliament, in this case the committee on transport and communications, explain their case to the government, and have indicated that they are prepared to answer all questions that the government would like to ask about their operations.

Unfortunately, as was expressed in the vote that took place between five and six o'clock tonight, the government has refused our newspaper publishers the right to appear before this committee and explain their point of view.

An hon. Member: Majority rule.

Mr. Hees: The hon. member says, "majority rule." If the hon. member wants to look back in *Hansard* of last February, he will see the Prime Minister's eloquent words when he said, in effect, "We are your masters and", in so many words, "you will do what we tell you to do."

Some hon. Members: Hear, hear.

Mr. Hees: I want to tell government members that this is exactly the attitude adopted by another Liberal government in 1956, when Right Hon. C. D. Howe said he would have a certain measure, the pipe line bill passed by July 1.

The Deputy Chairman: Order. I would remind the hon. member that we are on clause 1 of Bill C-116, an act to amend the Post Office Act.

Some hon. Members: Hear, hear.

Mr. Hees: Mr. Chairman, I was just trying to better educate some of the members on the government side, and show them the great similarity between what happened in 1956 and what is happening today. This government does have an over-all majority, and the majority does rule; there is no question about that. All the government has to do is to call in the members. It can vote us down, it can ram anything it wants down our throats, it can impose closure. This government is the master of parliament.

• (8:10 p.m.)

Some hon. Members: Hear, hear.

The Acting Chairman (Mr. Béchard): Order, please.

Mr. Pringle: As a new member, Mr. Chairman, I am humbly respectful of the experience of hon. members such as the hon. member for Prince Edward-Hastings and of other hon. members, but if the majority rules, I wonder how we got into all these problems during a majority opposition.

Mr. Hees: You did not have a majority opposition; you had a minority government, in case you do not know about it. That is how ignorant some of the members on the government side are.

The Acting Chairman (Mr. Béchard): Order, please. I would ask the hon. member to revert to the matter of the bill before us and I would ask all hon. members not to interrupt the hon. member who has the floor.

Mr. Hees: I will be glad to do that, Mr. Chairman and I will finish by saying that one year after the pipe line debate, that great majority government was defeated, and the man who rammed that bill down our throats was defeated by over 3,000 votes. I want to tell the minister this, so he can look forward to it in the future.

The Acting Chairman (Mr. Béchard): I hope the hon. member has said all he wanted to say.

Mr. Hees: Mr. Chairman, I think you will agree that I was continuing with my speech in which I dealt with this measure, but I was interrupted and asked some questions for clarification by some hon. members on the government side, so I felt obliged to give them an answer. Mr. Chairman, we on this side are not arrogant.

Some hon. Members: Oh, oh.

Mr. Hees: We give information when it is asked for, as a complete opposite to what goes on on the other side of the house.

Now, Mr. Chairman, if I may be permitted to continue my speech I will be very pleased to do so. I should like to deal with the hardships that are encountered by some of our newspapers. First of all I will start with the daily papers. In the second class mail classification, daily newspapers will be charged 5 cents a pound on news content, and 15 cents a pound on advertising content. No other publication in the second class mail group pays a higher rate on advertising content than it does on news or editorial content. In this regard I want to ask the minister a question which I hope he will answer. Why are newspapers being charged 15 cents a pound on advertising when magazines—notably *Time* and *Reader's Digest*—will pay only 5 cents a pound? I claim this discriminates against daily newspapers, and is, in fact, a tax on daily newspaper advertising.

I would like to hear an explanation from the minister as to why this unsatisfactory and unfair situation has been brought about by this government, and by the minister in charge of these operations. I hope that very soon he will take the opportunity to rise and explain the reason for this. Perhaps he would like to do so now.

Mr. Kierans: Mr. Chairman, I will answer the hon. member's question when we get to the clause in which this matter is dealt with. Now we are on clause 1.

Mr. Hees: The house can appreciate the minister's reluctance. He has a right to delay answering that question, but when the time comes, I think he will slough over it and hide it under something else. We had a minister at one time who was very good at that, and then he was defeated. Mr. Gardiner was very good at that.

An hon. Member: Would the hon. member resign at once.

Mr. Hees: Yes, and I certainly did. This is something I do not suppose the hon. member would ever have the courage to do if he felt he disagreed with his party. He would continue to be a rubber stamp.

Now, Mr. Chairman, the second group that is very unfairly hit is the biweekly and triweekly newspapers of this country, because they have been classed as dailies, and they have to pay the same distribution rate as do the daily newspapers. The big metropolitan dailies, with a large urban circulation, and usually a comparatively small rural circulation, are able to cover a great deal of their costs by the revenue from their urban circulation, which does not have to be delivered through the mail. But for biweekly or triweekly newspapers, which have a relatively small circulation, a very large proportion of which has to be delivered through the mails on rural routes, this would be a great hardship. These newspapers are denied the free zone that is accorded to the weekly newspapers, so they are very unfairly dealt with, and very hard hit. As I have said, the people who will have to foot the bill in the long run are the recipients of these biweekly and triweekly newspapers, very important organs which give our people the news they want to receive.

Finally, there are the weekly newspapers which have to pay a very much higher rate for distribution. So we can see that this department is not sparing any readers of news in Canada, because everyone who receives newspapers from now on will have to pay a higher price for them, raising the cost of living very materially. As I have pointed out, these newspapers are a necessity, not a luxury. I say the government has arrogantly refused to allow the newspapers of Canada, the dailies, the biweeklies, the triweeklies and the weeklies, to be represented at a hearing of the committee on transport and communications, to put forward their point of view and to explain why they believe they and those who read those newspapers will be unfairly treated.

During the election campaign the Prime Minister said over and over again that he wanted the people of Canada to become more involved in the process of government. He wanted them to know more about government. He said on the hustings and in the shopping plazas, that he wanted the people of Canada to become more involved in government.

An hon. Member: So they are.

Mr. Hees: This is not the case. We see how ridiculous this situation has become, because to become involved in government you must be able to talk to the government. You must be able to converse with the government and to learn what it has in mind when it expresses opinions about something. You should not simply be talked to by government, which is obviously the intention of the minister who is in charge of this bill. That is what the government has told the minister to do. The Prime Minister and the members of the cabinet have told the minister to refuse to allow the newspapers of Canada, through their associations, to appear before the appropriate committee of this house, the standing committee on transport and communications, to answer questions and to put forward their point of view.

• (8:20 p.m.)

An hon. Member: How can the minister do that?

Mr. Hees: That remark shows how ignorant my hon. friend is, because this kind of procedure has been used in parliament for many, many years. It was used extremely well by Mr. Pickersgill when he presented to this parliament a very complex bill about a year ago, the transportation bill. That bill, like this one, had many complicated clauses and was very controversial. But Mr. Pickersgill had the good sense and judgment to send it to the appropriate committee, where witnesses, and all those who wanted to appear, were heard. As a result, Mr. Chairman, of the hearings before that committee, a very excellent bill emerged. The members of the committee gained a great deal of information from those experienced in transportation matters in this country, thereby enabling this parliament to pass a bill much more valuable to the people of Canada than would otherwise have been the case.

Over and over again, Mr. Chairman, controversial bills have been sent to the appropriate committee and people who wanted to appear have been heard. As a result, the legislation was improved, and a far better bill passed by parliament. However, Mr. Chairman, we are now back to majority Liberal government. It is the kind of government that is determined to jam legislation down the throats of the opposition. Hon. members opposite have the votes; the members of the house can be called in at any time, or closure can be brought down, because they have a majority. But let me tell you, Mr. Chairman, that the last time the Liberals did that they were defeated one year later, and this is what is going to happen four years from now. Let me tell this minister that the last minister who did this, C. D. Howe, was defeated by an

unknown by no less than 3,000 votes. I say to the minister that if he wants a career in this parliament, then I suggest he pay some attention to history and learn what has happened to those who in the past did what he is trying to do today.

Some hon. Members: Oh, oh.

The Deputy Chairman: Order. I think at this stage I must remind all members of the committee of standing order 12, paragraph (3), which reads as follows:

When a member is speaking, no member shall . . . interrupt him, except to raise a point of order.

Mr. Hees: Thank you very much, Mr. Chairman.

Mr. Mongrain: Mr. Chairman, I rise on a point of order.

The Deputy Chairman: Order. The hon. member for Trois-Rivières on a point of order.

Mr. Mongrain: Would my hon. friend allow a question at this time?

Mr. Hees: Certainly.

Mr. Mongrain: Could my hon. friend tell me whether, when he was a minister of the crown and his party was in power, he always referred his bills to committee of the house?

Mr. Hees: Mr. Chairman, my answer is that any time I brought in a bill that was in any way controversial, and with regard to which anyone wanted to make representations and express their opinions, that bill went to a committee. I want to thank my hon. friend very much for posing that question, and if any other member has a question to pose I would very much like to answer it.

Mr. Ouellet: Mr. Chairman—

The Deputy Chairman: Order.

Mr. Hees: Mr. Chairman, my time is limited, but since I should like to answer the hon. member, perhaps he would wait until I have finished, and then I shall accommodate him.

Mr. Ouellet: Could I ask the hon. member a question?

Mr. Deputy Chairman: The hon. member does not want to receive a question now.

Mr. Hees: My time is running out, Mr. Chairman, so perhaps the hon. member will wait till I have finished my remarks.

Mr. Ouellet: It has to do with—

Mr. Hees: I said, my time is running out and I will answer the hon. member's question immediately I have concluded.

The Deputy Chairman: Order. Another rule of this house states that when an hon. member does not want to answer a question in the course of his speech he remains standing. Therefore the hon. member for Prince Edward-Hastings has the floor.

Mr. Hees: Thank you, Mr. Chairman. I want to tell hon. members that I will answer questions for as long as they want to ask them. However, I do want time to finish my very fair and constructive address.

I would strongly urge the Prime Minister, the man who aims at leading the "just society"—

Some hon. Members: Hear, hear.

Mr. Hees: I said, Mr. Chairman, the man who aims at leading the "just society". I would ask this man to stop it being derailed so early in its journey, and to make it possible for this country to have a more just society, instead of a very unjust society where people are not allowed to come before a parliamentary committee—

The Deputy Chairman: Order. I regret the interruption but I have to ask the hon. member once again to come back to the bill under study, Bill No. C-116.

Mr. Hees: I will end, Mr. Chairman, simply by making an appeal to the Prime Minister. I appeal to him to reconsider this refusal to allow the publishers, through their associations, to appear before a committee of this house. I ask him to let them appear and answer questions. After all, the Prime Minister said that he wants the people of Canada to participate in government. Let us have him show that he really meant what he said on the hustings, that he did not just want communications to be one way, but that he wants it to be both ways.

However, Mr. Chairman, through the action of the Postmaster General the Prime Minister is saying that he does not want this communication to be both ways. He wants to tell the people of Canada what they are going to do. He also wants to tell the members of this house what to do. Other governments have welcomed the opportunity to let representations be made to committees. If this is done in this case, I feel sure that these

publishers will be able to make it very clear why the only fair thing to do is greatly to revise the measures that are being put forward by this minister, measures that are going to cost the Canadian people a very great deal more out of their pockets year by year.

I say, Mr. Chairman, that these postal increases, and this latest 2 per cent tax that has just been announced in the budget are something for which the people of Canada will not stand. They are something they should not be asked to absorb at a time when costs are already far too high. They are the result of the gross mismanagement of our financial affairs that has been perpetrated on the people of this country by the government.

Mr. Kierans: Mr. Chairman, perhaps I might be permitted a few preliminary remarks before addressing myself to the first clause that is before the committee. During the last four days hon. members have posed a number of questions that I think could be answered very quickly.

Before doing this, Mr. Chairman, I should like to make two points. The hon. member for Kootenay West asked how this legislation is going to affect postal employees. I think I can give a better answer by reading a telegram I received this morning: It says:

• (8:30 p.m.)

[*Translation*]

Best wishes for the passing of your bill. The post office must be operated on a business-like and economic basis. Let us hope that the study on the crown agency proposal is speeded up.

[*English*]

The telegram was signed by someone well known to all Canadians, W. L. Houle, President National du Syndicat des Postiers du Canada.

Some hon. Members: Hear, hear.

Mr. Kierans: Those who work for the post office, including all union employees, have made known how they feel about this bill.

I wish to talk about definitions. One hon. member argued, as did the press, that the deficit on second class mail is a subsidy. Some said that I called it a subsidy to the publishing industry. In reply I wish to quote from Webster's dictionary, where a subsidy is defined as—

—a grant of funds or property from a government, as of the state or a municipal corporation, to a private person or company to assist in the establishment or support of an enterprise deemed advantageous to the public; ... A subsidy may be a simple gift or may consist in the payment of an amount in excess of the usual charges in establishing or maintaining a service,—

The example given is, carrying the mails.

An hon. Member: Tell us about *Time* magazine.

Mr. Kierans: The hon. member for Hillsborough asked about benefits to be gained from expanded all-up services. I am glad he asked that question, because the answer surprised me also, as I am sure it will surprise the hon. member. The extension of all-up service to first class mail over 8 ounces will result in an additional 2.5 million ton miles being carried.

The hon. member for Edmonton West asked why urban dwellers should not be entitled to deliveries on Saturday, in light of our decision to continue with Saturday service on rural routes. It must be kept in mind that the rural post office is almost a post office on wheels. The patron receives his mail from it and posts his letter in the rural mail box. From the carrier he buys stamps or money orders. If the route does not operate on Saturday, the rural route patron has no service whatsoever. Generally speaking, it is advantageous to maintain such service, since there is no source other than the mobile post office from which he can obtain newspapers, an important point to consider.

The urban dweller on the other hand has access to sub post offices on Saturday. If he wishes to purchase stamps or money orders, he can do so. If it is absolutely necessary, as might be the case with a business, lock boxes may be rented as an aid to delivery. Also, the urban dweller may receive newspapers from a newspaper carrier boy, or from a store. Consequently, the curtailment of service in urban centres does not inconvenience the urban dweller nearly to the same extent that a curtailment would inconvenience the rural dweller.

The hon. member for Hillsborough asked about the imbalance of newspaper and periodical traffic between this country and the United States. The Post Office Department keeps records of the mailing of newspapers, as does the United States post office. Consequently there is no problem in arriving at the exact number of copies of publications which are addressed to either country. A check is kept by both administrations.

The hon. member for Hillsborough also asked a question about sorting of mail on rural routes. It has never been comtemplated

that mail would not be sorted, since that would be to our disadvantage generally. Obviously, mail will be collected. The collection, sortation and dispatch of mail will be maintained over the week end.

The hon. member for Surrey asked what happened to our programs of modernization and technological progress. I think I mentioned in my opening statement that the mechanization of our new post office buildings is as advanced as anywhere else. The containerization of mail in our new postal terminals in cities like Winnipeg and Edmonton, say, compares favourably with facilities of similar size anywhere else in the world. In addition, we are sharing in the costs of developing certain aspects of postal mechanization on a tripartite basis with the United States and England. Also, since we have membership in the universal postal union, which has 137 members, we share our development information with other countries, and they in turn pass on their developments to Canada.

The hon. member for Surrey asked about the cost of handling money packets. He wanted a comparison of postal rates, and the rate charged by private security services. We do not insure the full amount of the money packets that we may handle, and no comparison is possible. But private services charge a great deal more than we do. We charge $1.75 per money packet, but we do not guarantee the amounts involved.

The hon. member for Surrey inquired about printed matter rates with Great Britain, as compared with the rates between the Americas and Spain. I might point out that the printed matter rate between Britain and other countries of the world is the internationally regulated printed matter rate. This comes within charges prescribed by the universal postal union. The Americas to Spain printed matter rate extends to our domestic third class mail, as prescribed by the convention of the Americas and Spain postal unions, to which Canada is a signatory.

The hon. member for Surrey also wanted to know the deficit applicable to special deliveries for 1967-68. It was $73,000. Special delivery, however, could be regarded as part of our first class service. It provides a preferred delivery facility.

The hon. member for Saskatoon-Biggar talked about weekly farm newspapers. I might mention an example involving one large weekly paper. The newspaper or magazine salesmen concentrated on this because of the lucrative returns it brought. For instance a 5-year subscription cost $7. Whether the subscription was a new one or a renewal, the salesmen pocketed $6.30 of the $7, or almost 90 per cent. The remaining 10 per cent is turned over to a subscription clearing house which keeps the permitted 70 cents and forwards the order to the company. In other words, the economics of this industry must be changed because the paper itself receives not a single cent from the subscription rate.

Mr. Woolliams: The Saskatoon wheat pool picks up the tab.

Mr. Kierans: If hon. members want me to name the paper, I will.

Mr. Woolliams: It is the *Western Producer.*

Mr. Kierans: Later, when we discuss this bill clause by clause, I shall ask a colleague of mine to present an amendment which will have the effect of striking out lines 24 to 34 on page 4 of the bill, in effect stretching out the impact of the second class increases.

Mr. Woolliams: Would the minister permit a question?

Mr. Kierans: Could the hon. member wait a moment, until I have finished perhaps?

Mr. Noble: On a point of privilege, Mr. Chairman, I asked the Postmaster General a question last Monday and he promised to answer it when he came to this part of the debate. Perhaps I should repeat my question. Could he tell the committee why there will be a split rate for daily newspapers and a flat rate for all other publications, save second class mail.

• (8:40 p.m.)

Mr. Kierans: The question the hon. member has posed is: Why are we charging advertising rates on newspapers and not on magazines? I think the answer is fairly simple. It is that the magazines are under severe pressure from United States magazines and their competitive position is nowhere near as strong as that of the majority of our daily newspapers in this country, with their monopoly position.

Mr. Noble: What about the weekly newspapers?

Mr. Kierans: The purpose of section 1 is simply to give specific authority for delegation of this power to the postmasters in order to make a number of ordinary, routine activities easier from an administrative point of

view. When this power has been delegated, a postmaster in Orillia or in Shippegan, Nova Scotia can witness testimony by a claimant that he has lost a money order, or if he wants to lay a claim under the Bankruptcy Act on behalf of the post office and file it with a trustee, he would be empowered to make such an affidavit and swear to it. This is a simple administrative change which will reduce some of the frustration and improve administration.

Mr. Hees: Can the hon. gentleman answer the question I put to him. I asked him why newspapers were charged 15 cents a pound on advertizing while magazines were not and the minister said it was because newspapers were not facing the same intensity of competition as were magazines. Does he not consider that there is fierce competition between, for example, the Toronto *Star* and the Toronto *Telegram* or between the Ottawa *Citizen* and the Ottawa *Journal* which are fighting tooth and nail against each other?

Mr. Kierans: But the newspapers in question are all paying the same 15 cents, so the competitive position vis-à-vis each other does not change.

Mr. Hees: But are not all newspapers in Canada fighting tooth and nail against the radio and television stations for the advertizing dollar?

Mr. Kierans: We do not carry radio or television messages. We do carry newspapers which weigh up to one pound, for which we get as little as one third of one cent.

Some hon. Members: Hear, hear.

Mr. Hees: Again I ask the minister whether he considers that the competition faced by Canadian magazines is as tough as that which the daily newspapers face, when they have to fight radio and television competition for the advertizing dollar? The answer is obviously, no.

Mr. Woolliams: May I ask the minister one question arising out of something he said? He talked about a subsidy to the publishers, and gave a definition of subsidy. Is it not fair to assume that the subsidy is really not paid to the publisher at all, but is actually directed to the consumer? Its benefits are received by subscribers either to daily or weekly newspapers, if there is in fact a subsidy paid. This is the point which is made by some of the leading newspapers in Canada, both daily and weekly. Would the minister not agree in this regard?

Mr. Kierans: No, I would not agree. In point of fact we carry a newspaper which costs 6.81 cents to deliver, and at the present time we recover less than 1 cent. As it is we are only demanding 2 cents as a minimum, and this still leaves a subsidy of $39 million to the entire class. If the newspapers choose to pass it on, that is their responsibility. I do not know what they will do.

I might point out that when we go to buy a newspaper we pay 10 cents a copy, whereas a subscriber might be able to buy it for as little as $10, $12 or $13 a year. This is a policy which the newspapers have adopted, so as to acquire additional circulation in order that their advertizing rates can be increased. If they want to continue to do that, it is their responsibility. But my responsibility is to see that we make some kind of an appropriate charge for the work we are performing.

If the hon. member wishes to argue that the newspapers have simply been passing this benefit over, and that we should therefore continue these uneconomic rates because the consumers are getting the benefit of them, why should the postal services make any charge for anything? Why should there be any pricing policy at all?

Mr. Hees: The minister answered my original question by saying that the magazines are up against much tougher competition for advertizing dollars than are the newspapers of Canada. I ask him: Does he consider that the dailies face less competition from the television and radio media than the Canadian magazines which compete with magazines from the United States?

Mr. Kierans: The advertizing dollar is divided in a number of different ways. What has changed in Canada is that a greater proportion of it now goes to television and radio. This affects newspapers, it affects magazines and it affects the third class mail. The particular position of the magazines is not one in which the daily newspapers find themselves. Like the newspapers, the magazines have this struggle for their percentage of the advertizing dollar. The situation is now improving to a fair extent, though, and this bill will as a matter of fact be, on balance, of genuine help to the magazine industry because of the effect of changes in the third class mail as a result of which the advertizing man will have to ask himself: How much of my dollar will I place

in television and radio, how much in newspapers and magazines, and, now, how much of the dollar I have spent on direct mail will I continue to spend on direct mail?

• (8:50 p.m.)

The point I wish to make is that magazines share with newspapers the competition for the advertizing dollar, but there is one special type of competition which magazines have to face. The daily newspapers have a market that is not seriously damaged by the Chicago *Tribune*, the New York *Times* or the Los Angeles *Examiner*, whereas any Canadian magazine has the tremendous competition of all the additional runs of all the American magazines that come in here. If we taxed their advertizing dollar, we being bound by the postal union convention to admit all magazines—the only alternative to placing terminal charges on imported magazines is to get out of the postal union—then obviously we would be doing a disservice to Canadian magazines.

Mr. Hees: Does that mean—

The Deputy Chairman: Order. To be fair to all hon. members who want to participate in the debate on clause 1, I think other hon. members should wait until we reach other clauses of the bill, at which stage they can ask their questions.

Mr. Orlikow: First, Mr. Chairman, I want to disagree completely with the principle that the minister has enunciated as if it were one of the ten commandments, namely that all of a sudden after 100 years or more the Post Office Department must operate in the black, and that there is something immoral or illegal about subsidizing postal service. I do not say that we must subsidize postal rates, or must subsidize them to the extent which we are doing at the moment, but the minister seems to have come to the conclusion that there must be no subsidy.

If we had applied this principle to the country as a whole it would never have become a country in the first place. It never made economic sense to build the transcontinental railway, but if we had not built it there would not have been a Canada.

An hon. Member: Speak on the bill.

Mr. Orlikow: It is true that we have a majority government. It is true that members opposite form the government but, Mr. Chairman, members on this side of the chamber were elected to come here and express the views of their constituents, and I do not intend to be howled down by the kind of spectacle we have had tonight, with all that prolonged clapping. I have lots of patience. If the members over there and the yahoos in the top corner want to applaud other speakers, I will just take my time; but I am entitled to my say. I listened to the minister. I will listen to him again, and to anybody else on that side who wants to speak, although I must say it is damned seldom that they do get up to speak. However, I am sure members on this side will listen to them, but I think we are entitled to the same consideration.

Some hon. Members: Hear, hear.

Mr. Orlikow: Thank God I don't have to account to members over there for what I say. They can account to their constituents and I will account to mine.

We have had subsidies in every sector of the life of this country. We have industries in Ontario and Quebec which would not have existed for a week if we did not have a tariff structure, paid for by the people of western Canada, so that the prices which those industries get for their products permit them to operate. We could buy goods cheaper from the United States, but we have a tariff because we decided that we wanted an auto and a steel industry in Canada. We also have subsidies for farm products.

All I am saying is that there is nothing wrong with subsidies for postal rates, if we think there is a social purpose for them. That is something the minister has not begun to think about.

Speaking from memory, and I do not think I am very wrong, I understood the minister to say that only 25 per cent of the first class mail that goes out is sent by the ordinary citizen, by the mother writing to her daughter or son at the other end of the country, and that 75 per cent of the first class mail is posted by business organizations. That is true; nobody questions it. But surely the minister and all members of this house know that every business organization which faces an increase in postal costs, or in any other costs, will recover that increase from the consumer. When the minister increases first class postal rates from five cents to six cents per letter he is in fact imposing another tax on the ordinary consumer, and I am not satisfied that we need to do that.

I now wish to deal with the question of the cost of second class mail. I don't think I need

tell the minister that I am not very friendly, politically or personally, with the Thomson publishers, the Sifton publishers, the McConnells, or whoever publishes the Montreal newspaper. They are much more accustomed to supporting his party than my party. They are not very poor. They have done very well. They have done very well, partly because of the fact that for 17 years or more we have left untouched the postal rates for mailing newspapers and magazines.

I am not for a moment suggesting that those rates must never increase but, Mr. Chairman, I believe that if we are to have a country which has a national identity it is necessary that we have living newspapers, effective newspapers and magazines.

I would like to know whether the minister has really given consideration to what this kind of increase means to newspapers, not so much to daily newspapers because the bulk of their circulation is not delivered by using the mails, but the weekly newspapers, the small town, rural newspapers. How many of them will survive, with the kind of increases which the minister is proposing, increases which run from 200 per cent to 300 per cent?

Last week I had a talk with the editor of the *Manitoba Co-Operator*. There are some Liberal members in the house from rural Manitoba. I am sure they know much more about the *Manitoba Co-Operator* than I do, but the editor of the newspaper told me that the mailing charges for a 20 page issue have been $148 and those charges will now be increased to $375. I am not a professor of economics, as the minister used to be, but I can quickly calculate that that increase is somewhere in the neighbourhood of 250 per cent.

I am told that the *Western Producer* is in the same boat. I am sure the farm union newspapers are also in the same boat. Important non-profit organizations which form such an integral part of our democracy, our democracy about which the Prime Minister has so frequently and eloquently spoken, will not be able to function as effectively as previously. Non-profit organizations, trade unions, co-operatives and professional organizations will have to curtail the frequency of the publications that they issue.

At present university publications such as the quarterly put out by Queen's, the magazine put out by Dalhousie, and the University of Toronto quarterly are hanging on only by the skin of their teeth. None of them is making money. In fact, all the time, they teeter on the brink of going out of business. I suggest to the minister it is extremely likely that what he proposes will drive the last nails into the coffins of those publications. Is that what the minister wants? I don't think many members of this house want it.

What about the other non-profit organizations? Some days ago the minister received a delegation consisting of editors of labour newspapers who discussed their problems with him. The editor of the machinists union paper pointed out that their publication, which is sent to every one of their 37,000 members in Canada, has been mailed at a cost of $154 per week, but under the new regulations the cost will go up from one fifth of a cent per copy to two and a half cents per copy. This is an increase from $154 a week to $925 a week. What this means is that in all likelihood the union will cut back on the publications it sends out to its members. I suggest to the minister this means that the membership will be less informed than it has been up until now. It will be much less knowledgeable about the problems of the union and the industry.

• (9:00 p.m.)

The situation will be similar in respect of many other unions in this country. The minister heard representations by the editor of the Canadian *Labourer*, the official organ of the Canadian Labour Congress, which publication was in the same situation. I am sure this is the position of many professional organizations, not just trade unions. It will include credit unions, co-operatives and organizations such as teachers associations, medical associations, nurses associations and so on.

What about the newspapers? I do not hold a brief for them in any way. It may be that the time has come when the charges against them should be increased. But, should they be increased in the amount the minister proposes? I suggest that many of them in all likelihood will be forced to the wall. I do not have the figures—the minister may have them—about the large number of weekly newspapers in every province of Canada which have gone out of business in the last 15 years. I am certain the increases the minister has in mind will mean that another batch of weekly newspapers will be forced out of business. Is this what we want? I am not suggesting the rates should remain as they are; but where is it written that rates which have existed for 17 years must be increased in one

fell swoop? Why can rates not be increased over a general period of five years or more? I think this could be done. I believe the minister is so determined to prove he is an efficient administrator and is so anxious to get things done that he believes he should proceed full speed ahead, and damn the consequences.

When we talk about an increase in rates I am very curious as to how the minister can explain and justify what I consider to be some very peculiar effects of his proposed increases. I shall try to quote exactly from the financial statement and the details of this proposed rate adjustment which the minister sent to every member of parliament. Here we have a page headed "Summary of Volume Revenue, Cost and Deficit, Second Class Mail, 1967-68". The deficit in respect of delivering daily newspapers is estimated to be $5,637,-000. The percentage of the cost for delivering daily newspapers which we collected is 30.1 per cent.

The minister is proposing some very drastic increases. The deficit under his proposal will be reduced from the $5,600,000 to a figure of $1,600,000. He proposes to cut this deficit by $4 million in one year. The average costs which will be collected for delivering daily newspapers under the new rates quoted by the minister will be 79.8 per cent. In other words, from 30 per cent, he goes up to almost 80 per cent. That is a very substantial increase.

I am sure the minister is aware of this, but I should like to bring to the attention of members of this house that Mr. Ryan, the editor of *Le Devoir,* one of the best newspapers in this country, has stated that if the minister proceeds with his various proposals the position of *Le Devoir* will be almost completely untenable and that the possibilities of its continuing in existence are pretty slim. That is sufficient comment about what the minister proposes in respect of the newspapers. The minister shakes his head. If I am mistaken and if Mr. Ryan has been misquoted I would be very happy to hear anything more the minister may have heard from Mr. Ryan.

I should like to turn now to some publications which are very important to this country. I have in mind *Reader's Digest* and *Time* magazine. In this regard I should like to quote again from the same statement. The amount the post office has collected from *Reader's Digest* for mailing this magazine to subscribers across Canada is, percentagewise, just half of what is collected from the daily newspapers. In other words, we have been collecting 15.7 per cent of the cost and we had a deficit which the taxpayers of Canada paid in the amount of $982,000. Under the new proposal we will collect the grand total of 31.3 per cent of the cost. From the newspapers we will collect 80 per cent, but from *Reader's Digest* we will collect 31.3 per cent. I mentioned that previously the deficit was $982,000. It will now be cut to $800,000. I wonder what magic *Reader's Digest* has, that it is to be allowed to retain this very favourable position.

Let us turn now to *Time* magazine, that great organ of the Liberal party of Canada.

Some hon. Members: Oh, oh.

Mr. Orlikow: Last year *Time* magazine paid 21.8 per cent of the cost of delivering its magazines to its subscribers in Canada. The deficit last year, according to the Postmaster General—these are not my figures; they are the minister's figures—was $864,000. Having proposed these Draconian increases, what does the minister propose for the daily newspapers? *Time* magazine, the organ of the Liberal party, will be paying a fantastic amount. They will be paying 34.7 per cent of the cost of mailing *Time* magazine, compared to 80 per cent for the daily newspapers. Last year the deficit in respect of delivering *Time* magazine was $864,000. This year the minister says we will only lose $721,000.

Mr. Woolliams: It is still ridiculous.

Mr. Orlikow: In reply to the hon. member for Prince Edward-Hastings the minister spoke of the difficulties of the magazines. This is true. The Canadian *Forum,* the Canadian *Commentator,* and the *Queen's Quarterly* are in great difficulty. I did not realize, however, that the Luce publication and *Reader's Digest* were in such difficulty that they needed a handout from the Canadian people. I believe in free speech and I believe in freedom of the press. If *Time* magazine wishes to portray the Prime Minister as a new Messiah, that is its right. If *Time* magazine wants to say that we never had a better government than the present Liberal government, that is its right, but I object to the taxes gathered from the almost 50 per cent of the Canadian people who voted against this government—my colleague, the hon. member for Winnipeg North Centre says the figure is more than 50 per cent—being used to pay a subsidy in order to get Liberal propaganda into the hundreds of thousands of

homes across this country. Surely the minister is a competent man and can devise methods of getting rid of deficits. I am sure he can devise something a great deal more equitable than what he is proposing tonight.

• (9:10 p.m.)

I await, with a good deal of interest, an explanation in respect of this strange and mysterious subsidy which I consider to be completely unjustified.

Mr. Kierans: Mr. Chairman, the hon. member has raised a number of points which I should like to explain. I hope I do not forget one or two of them. He has suggested that I feel it is absolutely necessary that the post office operate in the black. The fact is, as all of the evidence shows, that the post office, with the best intentions in the world, is going to have a deficit of $39 or $40 million next year.

It is my belief the post office should charge those people for whom it renders service. As a fact, the hon. member for Three Rivers said yesterday very clearly that this is not a tax, that it is—

An hon. Member: Oh, oh; Trois-Rivières.

[*Translation*]

Mr. Kierans: The hon. member for Trois-Rivières (Mr. Mongrain) said yesterday that it was not a tax but rather charges.

[*English*]

These are charges to the people who are using the services. They are not like taxes which are imposed and where an individual has no alternative but to pay them. These people can choose not to use the services. If they use the services of the post office, the post office wants to be paid something approaching an appropriate cost.

The *Reader's Digest* and *Time* magazine cannot be compared to newspapers, because they are not in the same class. Let us compare them with the class of publications in which they belong, which includes all magazines, weekly and urban newspapers. Without selecting 1, 2, 11 or 12 out of this class, the average cost is 33 per cent. It so happens that the cost of handling *Time* magazine is above that average and the cost of handling *Reader's Digest* is below that average. These magazines are all assessed according to the format, the weight, the circulation and so on. It happens that the two of them cost 31.3 per cent and 34.7 per cent, yet they come out exactly even. There is no discrimination in favour of or against them.

Let me make it quite clear that we do not compare magazines with newspapers. I cannot single them out and put them in the newspaper class, because they are not in that class. I have listed them separately because they have specific Canadian editions and are published in Canada on a pattern very much different from other publications. This is an issue I am quite willing to discuss, but we are forgetting something.

I made an announcement earlier this day that a colleague of mine would be presenting an amendment. This amendment will have the effect of stretching out the rules which most people seem to feel are too severe. We intend to stretch out these increases over a period of time, specifically over another year. This will apply particularly to the rates in respect of newspapers, mainly weeklies. The remarks of hon. members would indicate that this class of publication is in a particularly perilous situation financially. These publications pay only 9 per cent of the cost of carrying them. This is now only going to be 13.5 per cent of the cost. I submit with all deference that the people of Canada should know that they are paying subsidies, and that is what these are, in one way or another.

It is true that the hon. member mentioned a number of names of publications. He referred to the national machinists union publication. This union distributes approximately 40,000 copies, once each week, across Canada. It is published in Washington and there is some editorial comment added for Canada. The computation of this is 40,000 copies, 52 times a year, or approximately 2 million copies. We were receiving from $9,000 to $10,000 for carrying these copies. I asked them what they charged for their weekly publication or bulletin and I was informed that it is $1 per year. They said it was very worth while and that it contained a number of articles of interest to all members. I suggested the net effect of this charge would allow them to recover their entire stamp bill by adding 83 cents to the annual cost. Is that labour union publication worth $1.83 for 52 copies a year? I think it is.

The hon. member mentioned a number of farm publications, including *Farm of the Week*. Representatives of that publication have been in to see me. The actual cost of carrying *Farm of the Week* for a year is $150,115. And this is an audited cost as a result of a four year study by people inside

the post office and P. S. Ross and Partners, a management consulting firm outside the post office, for whom I will vouch. Do you know what this paper paid us last year for postage? They paid us $3,489 to carry that publication 19 times per year. I asked representatives of that firm what they charged for this publication and I was informed that for 19 issues they were paid a nominal subscription rate of $1.50. In effect their cost is 25 cents, or 98 per cent or 99 per cent of our cost for distributing this publication. I suggested that instead of charging 25 cents, if they added 35 cents and charged 60 cents per year it would cover the cost of distribution.

If a publication is not considered as a vehicle for attracting advertising I think we should make a reasonable charge to the people who subscribe to it. The *Western Producer* was mentioned.

Mr. Woolliams: I mentioned it.

Mr. Kierans: We carried 8,561,592 copies last year. The average weight was 6.31 ounces. The cost of carrying them was $574,000 and we received from the *Western Producer* for this service $59,000. If the *Western Producer* wanted to charge an amount for this publication which would cover our cost of handling it, it would cost an additional 1.4 cents a week. They now charge $1.50 per year. I do not know how many people get it for less, under what terms or conditions, but it may be distributed in certain cases for less. An additional 1.4 cents per week would be roughly 80 cents per year per subscriber.

Someone mentioned the *Free Press Weekly Farmer*. Thank the Lord that this particular postmaster cannot be blamed for putting the *Family Herald* out of business. This publication went out of business some months ago, I think long before or perhaps shortly after I was nominated. I do not think these people could have seen this coming.

• (9:20 p.m.)

With regard to the *Free Press Weekly*, 22,676,000 copies were carried last year. The *Free Press Weekly*, as everybody knows, belongs to an extremely wealthy gentleman.

Mr. Woolliams: Be careful; it's Liberal.

Mr. Kierans: That's right; I doubt if they are going to speak to me after this. But a good deal of static comes from Mr. Malone of the *Free Press Weekly*. If I mention co-operative papers I should give figures of all the papers. I have them for representative groups. The cost of carrying the *Free Press Weekly* last year—I do not imagine Mr. Malone will agree with these figures, but he can come down and see P. S. Ross and us—was $1,622,000. Our postage revenue from the *Free Press Weekly* was not $1,622,000; it was $112,000.

Some hon. Members: Shame.

Mr. Kierans: If the people of Canada are going to give a subsidy to the *Free Press Weekly*, I think the people of Canada should know it. It is $1½ million.

Some hon. Members: Hear, hear.

Mr. Kierans: Incidentally, this is another paper that, by putting up its subscription rate by a very modest amount, and by not giving 100 per cent of that subscription rate to the people who sell the subscriptions, could quite easily meet the increased cost of postage. We are dealing with a rough situation, a situation which has not been handled, as the hon. member mentioned, since 1951. In 1951, going back over what transpired at that time, the Post Office Department tried to put on a rate of four cents a pound, and it was forced to yield; I do not know why. It was forced to yield, even though we had a majority government in 1951. Perhaps it was forced to yield because of external pressure; I don't know. There has been enough of it, believe me.

However, this paper did not raise the subscription rate from 2 cents to 4 cents a pound; it raised it from 2 cents to 2½ cents a pound. Since 1951 the cost of everything has been going up, but not the amount that we the people of Canada, and we in the post office, have been charging for the services for which we could rightfully charge, and for which people are willing to pay.

We all talk of fiscal responsibility. We all talk of the need to balance budgets. We all talk of the new needs in respect of regional development, satellite communication, and keeping research going in Canada. I think that by attempting to bring my particular budget as close as I possibly can to balance, the government and the members of this house will have that much greater freedom to choose the new directions in which the country wants to go.

The Chairman: The Chair recognizes the hon. member for Winnipeg North on a question.

Mr. Orlikow: Mr. Chairman, I appreciate the details which the minister gave in his

reply to me. I think he has given the kind of information which people in the country and members of the committee have wanted from the beginning in respect of this measure. I believe I made it very clear in my remarks that I was not opposing any or all increases for second class mail. I am sure I said that the rates should have been increased earlier. It seemed to me that what the minister does when he increases the rates is to say to many publications, "Do you intend to continue?" I suggest to the minister that many publications, particularly those put out by non-profit organizations, trade unions, co-operatives and professional organizations, will decide that the cost of those publications which is usually part of the cost of membership, is so high that they simply cannot afford to continue, and they will go out of business.

A similar situation would exist with regard to newspapers. I agree completely with the minister, that it is unreasonable for the people of Canada to subsidize the Siftons by $1½ million a year. God knows, I have fought them all my life and I shall continue to do so. I do not know how long they will support this government. That is for the minister to worry about, not me. But let us face it; even the *Prairie Farmer* is required to increase its subscription rate by 50 per cent to 100 per cent. If it does that, a large percentage of its subscribers will decide to stop subscribing to this weekly newspaper. Of this I am certain, and we have the record; the minister has already mentioned the publication in Montreal which went out of business in recent months, and this was one of many. The result will be that a number of publications will go out of business in the next couple of years.

I say to the minister that too many publications, even if they are Liberal publications, have gone out of business in recent years. We do not want that, we want to encourage them. I suggest to the minister that what he ought to be proposing is an increase over a period of years so that the publications and their subscribers can live with these increases, rather than die with them.

I want to say just one more thing, Mr. Chairman. When the minister compares *Time* and *Reader's Digest* with other magazines in Canada, I do not know whether he is being serious. I do not take him seriously. One might as well compare the lion and the lamb. To compare *Time* and *Reader's Digest* with most Canadian publications, even with *MacLean's* is just too ridiculous to even consider.

The minister asked, in effect, should we subsidize the Siftons by $1½ million a year? The answer, of course, is very simply no. The minister is saying we should not subsidize the Siftons by $1½ million a year, but we are going to subsidize two American corporations by what I believe is more than $1½ million a year.

I suggest to the minister that if he really wants to get down to business he can find a way, even though some of his colleagues who were here before him made a mistake—I think I am putting it mildly when I say that—by permitting those two publications to be classified as Canadian publications rather than American, which they really are. It is not too late, and the minister and his department can, if he wants to, find a way to—

The Chairman: Order, please. I hesitate to interrupt the hon. member, but I recognized him on the basis that he wanted to pose a question in respect of the minister's remarks. In fairness to other members of the committee, if the hon. member has a question he should put it to the minister, otherwise the Chair would like to recognize another hon. member.

Mr. Orlikow: My question is, and I close on this note: Cannot the minister and his officials find a method by which the people of Canada will not have to subsidize *Reader's Digest* to the tune of $800,000 in the next year, and *Time* magazine to the tune of $721,000? My calculation is that this is exactly the $1½ million by which the minister does not want to subsidize the Sifton interests.

Mr. Kierans: Mr. Chairman, with the billion items that the Post Office Department handles, we have to run this on some sort of classification basis. Obviously the kind of classification system is that dailies is a class, weeklies is a class, magazines is a class, and so on. The only way in which I could recover all the money from two, three or five out of hundreds of magazines, and cover them 100 per cent, would be to charge all of them 100 per cent of the cost. I am charging that class 33 per cent for particular reasons.

• (9:30 p.m.)

Mr. Woolliams: What are the reasons?

Mr. Kierans: Because the whole magazine industry is in a very difficult situation because of its particular competition. We had the O'Leary report, and all kinds of reports about that particular industry. We want to

encourage that industry to develop. It seems from all appearances to be growing somewhat stronger. I am asked whether in a certain class I am going to single out certain weekly newspapers because they are Tory, Social Credit, or for whatever other reason. Will I in a certain class single out this or that magazine because it is a U.S. magazine such as the *Reader's Digest*, which is doing a tremendous job in Canada with the number of people it employs, its record of business and so on? I am not discriminating against a class; I am discriminating between classes by saying to the daily newspapers that although they have the peculiar situation of urban and rural distribution, this particular rate will apply to them.

I will say to the weekly newspaper that, as the hon. member has pointed out, they are in a difficult situation, they are running a marginal business, and this is taken into account. I say again, I am not discriminating against members of a group. The class as a whole is charged 33 per cent. It happened by accident that the two classes come out to the average of a class.

Mr. Chairman, is the first clause adopted?

The Chairman: No, not yet.

Mr. Macquarrie: Mr. Chairman, I will certainly not repeat what I have said in the earlier stages of the debate on this measure. I should like to thank the minister for answering my question about the mail service being two and a half million ton miles. This is a most impressive expression. As I was looking over his statistics I noticed that the air mail over eight ounces was one of the few items in the whole draft which showed a favourable balance of about three quarters of a million dollars projected for 1968-69. That will be gone. I may say that when I asked the other day about U.S. publications I was not asking the Postmaster General to count the number that came in. I was impressed by the figure that was given as to how much it would cost the Canadian postal workers to sort these U.S. publications, this very precise figure in table 12, and I am still impressed by the prevision of that interesting little calculation.

It will be difficult to deal adequately with this very complex measure in committee of the whole. It is a source of great regret that the people vitally concerned and the people with an intimate knowledge, which members of the House of Commons could not possibly have and which I doubt the minister's officials would have, are not able to present their case directly to a committee. I regret also the suggestion which has been made that this very important matter must be dealt with in an expeditious way because of the deadline which the minister has placed in his legislation. I may say that, considering the parliamentary timetable and the presentation of this particular piece of legislation to this house, the imposition of the deadline of November 1 was, to say the least, a little presumptuous.

I feel that we must ask general questions because we must deal with this particular piece of legislation against the background of some fundamental changes which the minister on his authority has already taken action upon, or made decisions upon. This is why it is going to be extremely difficult to confine oneself to the legislation that is set before us. For instance, I would be interested in having the minister's revised estimate on the savings which will result from what I suppose we will now have to call the semi-Saturday closing. I would like to know how much he anticipates the Post Office Department will now save with the limitation of the service to rural Canadians, and the exclusion of urban Canadians. I would like to know also the effect of the change upon his projection in reference to personnel. I am interested also, as I looked over some of his figures and some that I have found in annual reports, in the drastic increase in the deficit on the first class mail operation. We seem to be zeroing in on the second class with a vengeance, and yet proportionately the increase in the first class mail in the last three fiscal years has been phenomenal.

I should also like to know whether the Postmaster General has any changes in mind, other than that which he told us a while ago he would have a colleague move. I am wondering if he has found a way to respond favourably to the suggestion and indeed the pleas of the church press, as we know he has yielded to some persuasion in other matters.

Another matter which has already been alluded to by the hon. member for Winnipeg North is the question of the learned journals. I think this is an extremely important matter. The minister is a former academic and he knows it has been a grim struggle to keep learned journals, such as quarterlies on science and the humanities, going. They have asked for relief from a particular section of the proposed bill, and I would hope that even at this late date the Postmaster General could find room for another change in his attitude, and in the direction of his legislation.

It would be a tragedy if the *University of Toronto Quarterly* and the *Canadian Journal of Political Science* were to perish while *Time* magazine flourished. Surely we have sufficient ingenuity in this highly computorized age to cope with the situation. I may say that I listened carefully to the minister's reply to the very serious and searching question put to him by the hon. member for Winnipeg North. However, like Agrippa, I was not persuaded. It seems to me that with the ability which he personally has and all that he can command from his colleagues and others, some way could be found to deal with this matter. I must plead at this late stage that some way be found of preserving the academic press in this country. We know how the Canada Council is so frequently asked for help. We talk so much about our Canadian identity, we talk so much about trying to enhance our university standards and to enrich our intellectual life, that to inflict upon our struggling academic journals the kind of things they have complained about is shameful, and I use that word advisedly.

I am wondering also whether the minister, who has been talking in rather general terms about newspaper publishers and their place in society, has given any thought to the matter which the hon. member for Oxford raised earlier in the discussion. We find that one arm of the government, if I may use that expression, namely the Canadian radio and television commission, is looking at one of the media and is referring to the consolidation of ownership and control. I wonder if in this whole elaborate process of sorting out newspapers, defining what is a Canadian newspaper and setting up elaborate rates, this very important thought might be considered.

• (9:40 p.m.)

I hope we will be given some further elucidation. Passage of the bill may take longer in committee of the whole than in standing committee, but many matters remain to be answered. We will have to put questions as we go along, about, for example, on the white paper and the reports. Further explanation is required of the deplorable situation in which the post office finds itself.

I hope the minister will retain the flexibility he has displayed hitherto, Mr. Chairman, and it might well be that he will convince himself that not all wisdom is his, bright as his corner is. We want to assist him in this matter, but this will be difficult. That is why the challenge upon us to assist in the passage of this legislation is all the greater.

Mr. Crouse: Mr. Chairman, it is not my intention to speak at great length on this bill. The concept enunciated by the Postmaster General—that the post office be made to pay its way—is a very interesting one. In view of the state of the country's finances as announced by the Minister of Finance on Tuesday night, it would appear that the Postmaster General can follow no other course than the one he is on at present.

However, Mr. Chairman, it is now evident that the increases in postage rates that he has announced will pose serious problems for several voluntary health and welfare agencies. For example, all members of parliament have been made aware of the impact that will be made by the postage rates increase on the key tag service that is carried on by the war amputees of Canada.

This association, The War Amputations of Canada, organized in 1948, embarked upon a self-help program to provide sheltered employment for war amputees and to produce revenue to finance welfare needs of seriously disabled persons and their families. In recent years this organization has also provided financial and other aid to children and elderly civilian amputees.

The key tag service, which all of us enjoy and to which I presume most members of parliament subscribe and find useful, requires the mailings of some six and a half million key tags at reasonable postage rates every year. The announced increase in third class rates to five cents per letter on November 1 represents an increase of 66⅔ per cent. The operating profit of this organization, Mr. Chairman, is minimal, owing to the necessity to operate on a sheltered workshop basis, thus providing much needed employment for disabled veterans. However, this increase of 66⅔ per cent means higher production costs than those faced by ordinary businesses.

Surely, Mr. Chairman, it is not necessary for us to add further to the burdens of our war veterans, who have already carried more than their fair share of the load on behalf of all Canadians and in defence of freedom everywhere. The dominion president of The War Amputations of Canada has asked that the Postmaster General consider the creation of a special classification for voluntary health and welfare organizations which offer a product to the public. This would include such organizations as the Canadian Tuberculosis Association, which distributes the Christmas seals we will soon be receiving in the mail, the Canadian Society for Crippled Children,

which at Easter time distributes Easter seals, as well as the key tag service.

The president of the war amputees has suggested, Mr. Chairman, if such classification is not feasible, that parliament approve a financial grant similar to that suggested by the Glassco commission for second class mail. This grant, the president states, would be in the form of a rebate based on extra mailing costs arising out of the increase from three to five cents in the third class rate.

I am pleased to endorse this special request of the war amputees of Canada. I hope that the minister has had an opportunity since receiving this brief from the war amputees to give the matter consideration, and that he can give us some indication of what his department is planning to do to financially assist in some way this very worthy and needy group of Canadians.

[*Translation*]

Mr. Mongrain: Mr. Chairman, I would have a few brief remarks to make about the discussion now going on.

First of all, I would like to point out that the hon. members for South Shore and Hillsborough (Messrs. Crouse and Macquarrie) have made constructive contributions to the debate although they might not bear any relation to the questions which arise with regard to that bill if it is to be studied in a general way.

I wish to recall just the same what the learned member for Hillsborough said when he tried in his own way to refer to the principle mentioned by General de Gaulle to the effect that one must go to the bottom of things without allowing oneself to be influenced by personal interests or any partisan consideration whatsoever, which has a lot to be said for it.

Starting from that principle, Mr. Chairman, I find absolutely shocking the figures just quoted by the minister. In fact, some newspapers and publications receive extravagant subsidies from the government at the expense of all taxpayers and there is no comparison between the subsidies granted by the government to one newspaper or another. He just said that some newspapers take advantage of those indirect subsidies and charge a very inadequate subscription rate, and I again use the word "shocking" to qualify the advertisement rates which are of another order, indeed.

[Mr. Crouse.]

Anyhow the government must practise some distributive justice in granting direct or indirect subsidies.

We have noticed also in this house, Mr. Chairman, that the minister has made certain concessions up to now to please my hon. friends the members of the opposition. He has taken into account the suggestions made by his colleagues, the members on the government side of the house, as well as some of those made by the members of the opposition. Perhaps he will be willing to make other concessions as the debate continues on specific clauses. I am not sure, but I think that he has already shown some indication of good will.

However, we always come back to a principle which we must not forget and which some of our hon. friends in the opposition seem to overlook, and that is the question of who is to pay for the services provided by the government.

This afternoon, I heard a member of the Ralliement créditiste or of the opposition say: If the minister raises the postal rate for newspapers, the subscribers are the ones who will pay the cost. Let us say, for the benefit of the discussion, that it is true. Would it be more fair for the government to impose on all taxpayers, poor or rich, the deficit of the Post Office Department? Is that distributive justice? It is a fact, though. Does it not compel the government to impose the burden on those who profit by these subventions, namely the publishers as well as the subscribers, rather than on all taxpayers who, in many cases, do not earn high wages? In my opinion, distributive justice always brings us back to the principle that the users of a service have to pay for it. But there is more than that, Mr. Chairman.

• (9:50 p.m.)

It was mentioned earlier that this surcharge could be distributed over a period of two, three or four years, but I say that in two, three or four years, it will be too late for the government to make both ends meet. Now I come to the essential point.

The increase in mail rates was discussed in detail with reference being made to specific cases which in my opinion are definitely of minor importance. We must not forget what is essentially at stake, and nobody in this house will suggest that what I say is not entirely true. All Western countries are now going through a painful financial crisis and we have seen what happened in Great Britain

where the pound sterling was devaluated and all kinds of problems occurred.

We have seen stable countries, like Denmark, forced to devaluate their money. France, another stable country, which was tied to the gold standard, today encounters many difficulties. One has only to read the papers or confidential documents to realize this. The United States had to raise their income tax by 10 per cent. A great many Western countries had and still have to contend with a very difficult international situation.

In recent months we have seen that Canada has been able to get successfully through this international financial crisis and in doing so has earned the admiration of all the countries in the world. But on what condition, Mr. Speaker? On condition that we inspire confidence to foreign and Canadian investors, who otherwise might wish to invest their money elsewhere, if they were able to get a better return there. Therefore, the *sine qua non* condition of the investors' confidence is, first of all—students of economics know—that the government should balance its budget as much as possible. I say again that, under the circumstances, to avoid disastrous inflation in Canada, the measure proposed by the hon. Postmaster General (Mr. Kierans) is indispensable, even though it is painful, even though many of us will have to pay their share, even though many of the members of the opposition find it distressing.

It is not the only indispensable one, Mr. Chairman, because it touches upon only one aspect of the problem. Still, it is a step in the right direction, and I am sure that those who are concerned with the commonweal, will overlook their personal interest in seeking additional publicity in the newspapers. They will recognize that if we are to inspire confidence to foreign investors—as well as our own—who are interested in the development of our present businesses and in setting up new ones—which will help to reduce unemployment in Canada—the government must set the example of austerity in its own administration and adopt legislation to ensure that its own services pay their own way.

It is by taking into account that primary consideration about which, in my opinion, all hon. members are concerned, that we will make sure that the Canadian economy will remain healthy and that there will be less unemployment. We must all have the courage—and I agree with what the hon. member for Hillsborough said—to forget our personal considerations, our partisan considerations and think about the primary interest. We must all accept to make sacrifices so that Canada will not know the slowdown that other countries have gone through.

Taking that into account I strongly support the bill introduced by the Postmaster General.

[*English*]

Mr. Rynard: Mr. Chairman, I have two brief comments to make on what the minister has said. It seems, from the minister's answers, that he has been playing eeny, meeny, miny, mo in a bureaucratic jungle and has had a hard time making up his mind about anything worth while.

The field has been well covered and the debate has been good. I want to examine briefly what the Postmaster General proposes to do to our postal services. I am reminded of one who now is in a safe haven who said that if advertising were removed from newspapers, articles would cost less in the marketplace. He forgot to say that reading a newspaper would then become the prorogative of the rich, only, instead of costing 10 cents, they might cost about $1 each. Also, they might be then controlled by only money Barons and the government, which would certainly be bad for the Canadian people. They would not know what went on.

It seems passing strange that the post office, which showed a profit of $20 million just before the Liberal party came to power a few years ago, now suffers from a deficit of over $100 million after five years of Liberal rule. It is claimed that newspapers have paid only about one third of their delivery costs. The new rate is 5 per cent on news and 50 per cent on advertising. This means the Postmaster General will increase this rate to 75 per cent, or a total increase of over 150 per cent.

What will be the effect of this? Newspapers will have to increase their subscription rates and their advertising rates. This places a tax on dissemination of knowledge, a tax on knowledge and of current events. Business will have to increase the costs of its goods by an amount equal to the increase in advertising rates, and the poor taxpayer will have to pay the shot for the cost on news.

I am wondering about cases when newspaper subscriptions have been purchased for a few years ahead. How many of these cases are there, and who is to absorb the loss?

Post Office Act

I am wondering why *Maclean's* should pay an increase of 136 per cent, *Reader's Digest* 100 per cent and *Time* magazine 59 per cent. The Postmaster General tried to explain the advantages of his arrangement, but with no success. He said, "This matter fits into that compartment and this other matter fits into another compartment." He did not convince anybody of the correctness of his assertions.

Perhaps the minister would tell us why he has imposed a tax on education, since this disturbs me. This tax is being imposed on professional magazines, on journals which doctors, dentists, and veterinarians receive, on journals which bring the results of modern scientific research to the professional man. Journals to do with science and education, religious magazines, law, and the arts will all cost more. The hon. member for Winnipeg North has already put this on the record.

Meeting the other day under the auspices of the Royal Society of Canada, 67 learned societies discussing items of common interest passed the following resolution unanimously:

> —the representatives of sixty-seven learned and professional societies wish to draw to the attention of the Postmaster General the apparent discrimination against members of the scientific and learned professions which would result from the application of provisions of clause 11(1)0 of Bill C116 to publications of the aforementioned societies.

Now in my own field, just as an example, the Canadian Medical Association Journal issues 22,000 copies weekly to members in Canada and contains scientific material originating in Canada, material dealing with the work of clinical and medical scientists. The journal is devoted to promoting the advancement of medical knowledge. The government supports a health resources fund. On the one hand it wishes to provide training to doctors, under the health resources fund, and on the other hand it wishes to tax scientific knowledge that is brought to these doctors by journals like the Canadian Medical Association Journal. This is also the government that introduced medicare.

• (10:00 p.m.)

In 1967 the Canadian Medical Association lost $19,443 on the publication of the association journal, and expenditures on postage under the second class rate amounted to about $20,000. But to the end of September of this year losses amounted to almost $65,000 mainly because of a decline in advertizing by pharmaceutical companies, which have been subjected to such criticism in government circles. I do not want to guess what the postage costs will be under the amended act, but let me say this: a voluntary association such as the Canadian Medical Association cannot long sustain substantial losses and steadily rising costs. Does the minister not realize what he is doing to the dissemination of scientific knowledge, the very thing we need so badly in this country, when there is a brain drain to the south. I would like the minister to take a long look at this and refrain from hurting education and scientific knowledge in Canada, because we are having a hard enough job competing with our friends to the south, and with their medical and scientific journals.

As a matter of fact, this proposal of the government carries us back in some ways to the stagecoach days. The minister mentioned Orillia, and I was happy to hear him mention that town. As a graduate of McGill he would know that the great humorist Stephen Leacock lived there. Anyway, a letter sent out on a Friday might not get to its destination until the following Tuesday—or if the mail were particularly heavy, it might not be seen until Wednesday. This carries us right back to stagecoach days. Is there any other country with our standard of living which is running a five-day-a-week mail service? I would like to know.

The minister has yet to explain to my satisfaction why the technology of the post office and its use of modern methods have not kept pace with the need. I believe that when the Liberal party came to power the department was showing a surplus of $20 million. Why in the world was not more done in the scientific field to make use of advancing technology, bearing in mind the fact that the mails are used more today then ever before? I am not blaming the minister for this, because he was not responsible then.

In the scientific field the proposals here will certainly do untold damage to dissemination of scientific knowledge. The bill will do damage to many doctors who get their information on research, and the latest treatment methods, from the medical journals. Then again, why is the minister being so unfair to the post office at a time when the government is subsidizing the C.B.C. to the extent, I believe, of $150 million? The corporation carries the same kind of advertising as do the newspapers. In my opinion this is ridiculous. The minister should have done a lot more research in this field. People would like to have the answers to these questions. They would like to be told of a better way instead

of increasing the cost and cutting the service to the Canadian people.

Mr. Skoberg: First of all, Mr. Chairman, I would like to congratulate the minister on his appointment to the office he holds. Second, I would like to extend my sympathy and condolences to himself and his party on the lack of feeling displayed in this situation by denying the right of individuals to appear before the various committees and make their case.

I would like to repeat something of what I started to say the other day when the honourable knock came on the honourable door, and I would appreciate it if in due course the minister answers some of the representations that have been made to him. He has received a delegation from representatives of trade union journals. As I was finishing the other day I referred to the fact that these publications suggest there will be a 500 per cent increase in their mailing charges. No doubt the minister will give a reply to this. It may be that the amendment which the minister has prepared will cover some of the points I wish to raise, but for my own satisfaction I would like an answer on certain issues.

It is suggested that the increase in mailing costs will go from five-twelfths of a cent per copy to 2.5 cents a copy. I would like the minister to confirm or deny this. This means that for a total of 37,000 copies mailed from Toronto the cost will increase on an annual basis from $7,398 to $44,400. I submit that this is a considerable increase in over-all costs.

It is suggested that the United States is suffering from the same difficulties with its post office, but the problem there has been alleviated to some extent by progressive postal rates.

I would also like to add my voice to those who have spoken on behalf of the war amputees, and the situation which they face as a result of the proposed mailing increases. It is suggested that they will suffer an increase of approximately 66⅔ per cent.

Correspondence has been received along the same line from the Canadian Council of Professional Engineers. They point out that one provision of the bill—

> —clearly implies that when a periodical devoted primarily to the sciences, agriculture, etc. "is published primarily for the benefit of the members of a particular profession," viz: those who can really benefit from such a publication and in most need of same, it shall not be eligible for the advantages of second class mail.

I would like to know if this is entirely correct.

Another point I would like to bring forcefully to the attention of the minister concerns the effects of the proposed postal rates as described by the President of the Canadian Weekly Newspapers Association. I would like to know whether this association has had an opportunity to present a brief to a committee or to the minister.

They suggest that the main burden of the increases in second class privileges will fall on newspapers in cities of 10,000 to 20,000 people, particularly in areas like North Battleford where the local newspaper has a large rural circulation and where it is impractical to distribute it other than by postal delivery. Does the minister agree with this?

Another point they have made is that under the proposed legislation the big dailies and their week end inserts are given certain privileges. The minimum charge per newspaper changes from 2 cents per pound in one area to 2 cents per copy. That in effect quadruples their cost of mailing, but dailies at the 5 cent per pound rate would only increase their cost from 4 cents to 5 cents per pound or a 25 per cent increase.

• (10:10 p.m.)

Of course the point they are bringing to the attention of the minister is the difference between the 400 per cent and the 25 per cent. I feel certain the Postmaster General can appreciate the situation in which they find themselves, if these are the actual figures and facts. We also realize the main problem is in respect of the semi-weekly and tri-weekly newspapers in market centres of more than 10,000. It would appear in the areas where semi-weekly and tri-weekly papers are recognized as daily newspapers that these papers find themselves in an untenable position. I am particularly concerned about this because of the fact that these papers represent a great many people. In fact their membership represents the major proportion of the membership or subscribers of papers which are members across Canada of the Canadian Weekly Newspapers Association.

I am sure the representations of these people should have been heard, if they were not heard. If they have not been heard, then I wonder why the minister did not inform them in time so that they would have an opportunity to present a good submission before him. If there was a general hearing or a private hearing before the minister at any time since the bill was introduced, I believe they should have had an opportunity to make their representations.

There are a few points which I should like to ask the minister to consider. Can he give us some assurance that he will take another look at the publications to which I have referred. I do not believe that rigidity in the bill at this particular time is something which medical, professional and union publications should be expected to bear.

The minister has mentioned that this is a small increase from the standpoint of the individual who is subscribing to the particular papers. I suggest, however, that we should not consider this as just one particular item. Every increase on every item in respect of consumer costs, and the interest rates with which the farmers will now be faced, contributes to the increase in the over-all cost of living index. This brings about a spiralling increase in the rising cost of living. It is not a matter of saying that this is just one item, it is the many things put together that we must take into consideration.

I would ask the minister again, when he answers later on, to inform us whether the railways were deliberately left out of the mail carrying contracts or whether they asked to be relieved from such contracts. I am sure this could be handled under one of the items which are before us.

[*Translation*]

Mr. La Salle: Mr. Chairman, I take this opportunity, now that my turn has come, to say a few words about such an important and controversial bill.

I am convinced that the Postmaster General is not happy to lead such a delicate and difficult attack against Canadian voters, I am perfectly aware that the minister has inherited a very difficult post. I am ready to sympathize with him to a certain extent. I even ask myself if the previous government which ignored the findings of the Montpetit Commission is not responsible for the present minister's increasing difficulties.

I suppose that it is not too late however to ask the minister to show better understanding and I think that, in the name of common sense, we will be able at this stage of the bill to score a few points in the public interest.

I noticed this afternoon that government members were overjoyed by the defeat of the amendment. However I am convinced that all members are not willing to impose such heavy increases on small taxpayers. Of course, the minister is perfectly right on certain points, but I wonder how high increases as those proposed can be generalized.

[Mr. Skoberg.]

I have not yet agreed that the Post Office Department must pay its own way at the expense of the quality of services rendered to the people. It has become generally accepted in various administration that one department can show a deficit which can be covered by others or out of the consolidated revenue fund.

I suppose that the Postmaster General (Mr. Kierans) must consider in the first place the services to be rendered to the community before trying to make his department profitable. As he is now bringing in the bill, the present minister is only considering whether his department is economic, and I wonder if he is right. I understand that he is used to handling figures and he is well versed in financial matters, but I would like to assure the minister that the Canadian people do not understand so easily the importance of an increase.

I cannot refrain from defending the situation of weeklies, since we are lucky enough to have in my constituency four weeklies which are quite well organized and render tremendous services to the people. I quite agree with the hon. member who said yesterday that those weeklies are even more useful than television and that if the bill is passed, we shall be deprived of a number of weeklies, which would be unfortunate indeed. On behalf of those weeklies, in my district as well as all over Canada, I tell the minister that I hope he will be sensible enough to change his position and to give particular consideration to this class of mail which is absolutely necessary in all areas so that they can get adequate information.

A little while ago, I asked the minister a question to which I would very much have liked to receive an answer. I asked him if, in view of the information received to the effect that Saturday was the worst day of the week to cancel postal delivery, another day of the week could be considered? I should like the minister to consider this, if he has not already done so. I should think that Wednesday, for instance, in the middle of the week, would be less damageable. I am not saying that it would suit everyone, but somehow I feel that a day in the middle of the week would be more acceptable to everyone. I make this suggestion because I think the members of the opposition should not be content to say no, for the fun of it: they should try to suggest an alternative. I thought of this suggestion, and after discussing it with several people, it seems to me a day in the middle

of the week would be less inconvenient than Saturday.

I am pleased to say to the minister that I appreciate the fact that he reversed his decision on rural delivery. It must be remembered that in my riding alone, for instance, out of 36 parishes, 30 do not even have post-office boxes. Well, it is obvious that from the day this legislation comes into force, 30 municipalities will not be able to get any service on Saturday; it is too bad and it is regrettable. That is why the fact of selecting another day than Saturday would seem more acceptable I think than the measure before us.

• (10:20 p.m.)

I should also like to say to the minister that as a new member of parliament, and I do not want to miss this opportunity, that I am a little surprised and even disappointed at the carelessness with which all these commitments have been made by the government, or the party, that took office on June 25. They were assuring us they would cut expenses and limit the increase in taxes. Therefore, I am most unhappy to see that after five or six weeks at the most, they have already announced a tremendous increase in postal rates.

The budget has revealed another, and the hon. Minister of Agriculture (Mr. Olson) assures us that the ceiling on the interest rate will disappear. I wonder whether this is the just society we were led to expect. I am sorry, and others in the house with me, to see the government increase taxes that way.

Once more, I appeal to all members of the government party, because I do not think they are happy with such a large increase. The extension of the reimbursement of the deficit over a period of a few years has been refused, on the grounds that, three or four years from now, nothing will have been gained.

I would rather see the increase distributed over two, three, four or five years, which would make it less painful this year. Perhaps, with time, we would arrive at the same increase, but people would know in advance and could accept it more easily.

Again, I take this opportunity to invite all the hon. members to plead with the minister to show greater understanding for the electorate and the whole Canadian people. I have to do that. Naturally, much has been said. Some hon. members have a talent for expressing this sort of thing better than I can, but I think the minister understands me. I also think the hon. members understand me and, in my opinion, every one of them should plead for a slightly more humane policy than the one expressed in this bill and a more humane attitude on the part of the minister.

I hope this exhortation will lead the minister to be a little more understanding, and perhaps allow the Canadian people to accept a raise somewhat less steep than the one which the minister is now suggesting. I also hope that some consideration will be given to reducing expenditure in other departments, so that the Post Office Department, which is in the first place a public service, may be more protected than it seems to be at present.

Mr. Mongrain: Mr. Chairman, I would like to direct a question to the hon. member for Joliette (Mr. La Salle).

I have heard my hon. friend say that there are four weeklies in his riding. Is he not convinced, supposing that two of them should go bankrupt, that the other two would manage much better and would be able to pay their due to the Post Office Department?

Mr. La Salle: Mr. Chairman, I shall reply to the hon. member for Trois-Rivières (Mr. Mongrain) that I would not at all like to see two weeklies go bankrupt.

The question he is asking leads me to think that he already foresees the bankruptcy of the two weeklies; that would be very unfortunate.

The attitude of the present government might lead some weeklies to bankruptcy. That is the reason why I intervened in the debate and asked the minister to change his mind, so that weeklies will not be forced to go bankrupt.

[*English*]

Mr. Ritchie: Mr. Chairman, I would like to address two points to the Postmaster General. In his definition of weekly and daily newspapers there is a class of newspaper he has not considered, and that is the triweekly newspapers usually published in small towns. Often they are only overgrown weeklies, and they are not in the class of large city newspapers. The postal rate on one of these newspapers of which I know is at present $30 a month. Under the new rates it will be $120 a month. This is a substantial increase. There are not many of these papers, but there are a few and I think they have probably not been considered. So I would suggest to the minister that he make another classification between the daily and the weekly category. I believe that many small town newspapers would fit into this category.

Secondly, I should like to reinforce what has already been said about scientific journals in this country. Not only will they be subject to increases, the same as all second class mail, but apparently the privilege of second class mail which, so far as the *Canadian Medical Journal* is concerned has been accorded since 1911, will be taken away from them. There are at least 56 journals that fall into this category. They are only of interest to people in various professions to whom they are sent. As the minister stated, magazines are in general under intense competition from the United States journals. This competition exists perhaps to an even greater extent in the scientific world. Canadians spend quite a large amount on medical and scientific work and bursaries. In medical research alone the bursaries for the coming year amount to approximately $26 million. The final production of all these people working on various research projects is usually a paper of a scientific nature. Often the waiting list for the publication in U.S. and other journals of papers prepared by these people is three or four years, at least in the field with which I am familiar.

The *Canadian Medical Journal* is already making plans to reduce its publication by half. Many of these journals have to reduce the outflow, and the area in which our research people can project their views. If there was ever any indication of a necessity for a subsidy in the mails, surely it is in this area because television does not publish a scientific paper or a new article. It is most important that we give as much help to our scientists as possible. Without the dissemination of knowledge, much of the scientific work for which we have already paid will be lost, because unless a scientist can publish his paper in a journal which has a scientific audience it is of little value to anyone.

Another thing which I would like to say is that we might consider closing down our scientific journals in Canada because the United States has so many of them. There is such a vast outpouring of scientific knowledge in the United States that it would overwhelm us. However, I would like to point out that many of the scientific journals are published in both English and French, while the United States journals are only published in English. While it might be said that much of our scientific knowledge for the French speaking people in this country could be garnered from France, we do have to recognize that science in western Europe is somewhat different from science in North America. The emphasis is different, and if we closed down our journals we would be much the poorer for it. I make a very strong plea to the Postmaster General that if we ever needed a subsidy it is in the scientific field. He should seriously consider this.

[Mr. Ritchie.]

Mr. Kierans: Mr. Chairman, I have listened with a great deal of interest to the suggestion which has come from the last speaker and from many others before him. I think we have to accept the fact that it is generally considered that statutory rates should be limited to publications which contain news or articles of general interest to the public. This is set out in one of the clauses in the bill, Mr. Chairman. The general public includes those concerned in religious, scientific, literary and educational fields. However, another consideration must be taken into account here. Clause 11 (1) (o) provides that—

• (10:30 p.m.)

—in the case of a publication described in paragraph (b) or (c), it is published primarily for the benefit of the members of a particular profession—

One of the hon. members who spoke is a doctor. He has been an economist and subscribes to the professional economists journal. I imagine the hon. member for Hillsborough also subscribes, because it is a sister journal. The actual cost to that quarterly as a result of this increase will be roughly 3½ cents per issue per subscriber. I do not know whether the association will raise our membership due by $1 to cover what, in effect, will be an increase of about 14 cents a year, but I imagine that the hon. member for Hillsborough—certainly I will—will continue to be a member.

What we are trying to do, Mr. Chairman, is to restrict subsidization by the people of Canada of publications that are of general interest. I have every sympathy for these journals and also for the medical journal. The medical journal may have to increase its costs by something in the order of $1 per year per member as a result of this rate increase, and I am sure the doctors can well afford the difference. If the journal is what the hon. member said it was, of medico-scientific value, then it is in the doctors own interests to subscribe to it.

I do not think doctors would refuse to subscribe to the journal, Mr. Chairman, because the Post Office Department suddenly demanded a reasonable return—nowhere near

100 per cent return, believe me, but a reasonable return—on its actual costs, or an approximation of those costs. On the other hand, there may be many people who want a subsidized medical journal, and perhaps the answer is for the hon. member for Hillsborough and myself to increase our donations to the economists and political scientists in this country.

In regard to the situation mentioned by the hon. member for South Shore, there is a case of interest to all of us. We are all aware of the tremendous work that war amputees are doing to sustain themselves and to be independent. They provide a service to the people of Canada, and I think most of us return a cheque to them in the envelope they send us. Perhaps this year our cheques should be worth a little more, in which case it would enable them to meet their problem.

The hon. member for South Shore suggested that parliament itself might vote a grant to the war amputees organization. Although this debate has been drawn out over the last four days, a number of points have emerged of which the Canadian people were not previously aware. One of them is that there have been all sorts of hidden grants made to all sorts of bodies to meet increased costs. Some bodies might have been able to meet those costs independently, but some do find difficulty and have to present their case to the people. Having received support in the past the people naturally have sympathy for the particular activity concerned.

It is not part of the function of a department that provides services to continue hidden subsidies, whether to the National Arts Council or to other bodies, when there are crown corporations or bodies that are chiefly concerned with the matter. In the case of the arts council the Secretary of State is involved. The deficits of such bodies are taken into account when their annual grants are made in a recognized forum. We know very well that a subsidy is being provided, whether that subsidy is to some consumer co-operative movement, to the National Arts Council, to the Winnipeg ballet, or what have you. But, we do not want hidden any more the subsidy in postal rates.

A distinction must be drawn. We have talked about the definitions of Canadian newspapers or publications. These publications are put out primarily for the benefit of the members of a particular profession, whether they are in the field of agriculture, medicine, economics or political science.

An hon. Member: It might be the *Canadian Medical Association Journal.*

Mr. Kierans: Yes. The *Canadian Medical Association Journal* will be in there, so will the *Canadian Hereford Digest* which does not affect me. The *United Church Observer* will not be included in the list of specialized publications, since it is of general interest to its membership at large, as distinct from a bulletin put out by a particular parish in the United Church.

Similarly, the *Canadian Boy* is the official publication of the Boy Scouts of Canada, and is of general interest to the entire movement. On the other hand, a certain group in Montreal or in St. Boniface if it put out a publication, would not come under the general definition. Yet all these publications have been contributing to the problems of the post office.

Many hon. members have asked, "How did the post office suddenly get in a mess?". Well, it is not in a mess.

Mr. Dinsdale: But it will be.

Mr. Kierans: It has a deficit of over $99 million because members of this house on many previous occasions have refused to accept their responsibilities, either when they were in power or in opposition. The 1951 bill was emasculated, and between 1957 and 1962 no bill came forward. A bill was withdrawn in 1964, and another defeated in 1967.

Hon. members have asked me to meet with members of every association, and I dare say nobody in this committee of the whole is not aware of certain worthy cases which might be brought to mind. The point is that when anyone cries for a balanced budget, any individual who comes forward says, "Do not balance the budget at our expense".

It has also been said that increases range up to 300 percentage points. When you start at 10 per cent and increase the rate by 50 per cent, you arrive at a final figure of 15 per cent. Yet if costs go up by 10 per cent in one year, they go from 100 per cent to 110 per cent. I admit that this is a radical attempt to bring the post office into the land of common sense.

Some hon. Members: Hear, hear.

Mr. Kierans: I will guarantee the figures I have laid before the house. They are the result of four years of intensive work by people inside and outside the department.

• (10:40 p.m.)

I also say that if this legislation is not passed this house will be responsible to the Canadian people for a deficit next year of $130 million. The Canadian people can think of very many choices for making far better use of $130 million than to continue to subsidize those who use these resources.

Mr. Chairman, we have not yet got past clause one, though we have ranged widely across this bill. I think this is about the third time we have done this.

An hon. Member: Stick around for a while.

Mr. Kierans: I think I can sense something of the unhappiness of the Canadian people about the manner in which parliament sometimes functions.

Mr. Baldwin: If we had considered this in committee we would have been finished by now.

Mr. Kierans: But nothing would have come out in the committee that you do not already know. All of you have been quoting from every brief that has been made.

Mr. Baldwin: We would have been able to test the accuracy of your statements.

Mr. Kierans: Well, you have not found out that anything I have said was untrue, although this was put into doubt by the hon. member for Edmonton West the other evening when he said that because a minister said a thing it was not necessarily the whole truth of the matter.

I am not accustomed to having my word doubted publicly or privately. However, I did not rise on a question of privilege. If that is the fashion of speaking which the hon. member adopts, so be it; let him speak that way. But try and show that some of the figures or information presented to this house are wrong. Try to do so with the help of the tremendous resources which you have behind you—and which have been using you to create a considerable delay over the passage of a bill which the people themselves recognize as being timely and appropriate.

Mr. Woolliams: We have just listened to a most surprising explanation. In fact, I shall have to leave undelivered the speech I was about to make in order to answer the minister. When the hon. member for Edmonton West said we could not accept all the facts given by the minister he was not calling into question the minister's integrity or honesty.

All we wanted from the minister was to get the facts.

Mr. Mahoney: You already have the facts.

Mr. Woolliams: Oh, you will have your chance. You have been sitting around without saying a thing since you were elected the member for Calgary South. The minister has set out certain facts and told us that those costs were correct. If he had nothing to fear, why did he not allow this matter to go before a committee, where members of the opposition and members of his own party could have asked questions? After all, it was his own supporters who in caucus last week complained that this was an unreasonable piece of legislation. Had the hon. gentleman followed the course suggested to him he would not be in difficulty now, and he would not have to make explanations tonight.

After all, we asked only for what was reasonable. We said: Let this matter be brought before a standing committee. The minister has set out certain facts. But we all know the manner in which costs can change in one way or another.

Take the case of railway costs. There are some fixed costs and some changing costs. You can draw up a balance sheet and say these happen to be the costs; the costs happen to be this or that, or the costs can change. There can be floating costs. We wanted to find out what the costs really were so that we could have gone into a standing committee and asked intelligent questions of witnesses.

If the minister had sent the bill to a standing committee we could have heard from the people who are in the business of publishing daily and weekly newspapers. They could have said, "The situation will affect us this way, or that way." We could have questioned them. Then we would have had the facts, instead of having them swept under the carpet as the minister has done.

I am surprised that the minister has taken this attitude because we heard of the new deal for his party, we heard that it was going to function with efficiency. But this is a case where they will not allow the use of a committee so that we can get the facts and intelligently accept or reject the minister's case. What the minister is saying is, "There is a loss allocated to the daily and weekly newspapers of $37 million, and I have got to make it up."

Tonight he was asked a question about subsidies and he replied, "We are not going to

subsidize the publisher." I say that the country is not subsidizing the publisher at all, and the minister knows that. It is subsidizing the subscriber, the consumer. It is the little man in the country who is buying a daily or weekly newspaper who is subsidized.

I am sure that this is not a new argument to the Liberal backbenchers who have been clapping like trained seals all night. They made this argument themselves.

Some hon. Members: Oh, oh.

The Deputy Chairman: Order, please.

Mr. Woolliams: I realize that they want to howl me down. They made the same argument in caucus to the minister last week. Now they are applauding something they don't even believe in.

There is one thing I will say to the Liberal backbenchers, that the daily and weekly newspapers of this country will know who their friends were. They will know the people who went along with this thing, just because the minister wanted it.

Mr. Mongrain: Would my hon. friend allow a question?

Mr. Woolliams: Certainly I will allow a question.

Mr. Mongrain: Is there anything that prevents the hon. gentleman from asking his questions of the minister here tonight?

Some hon. Members: Hear, hear.

Mr. Woolliams: Well, Mr. Chairman, I would have thought the hon. member would have understood the point I was making.

An hon. Member: What is the point?

Mr. Woolliams: If you had come into this house with your mind as open as your mouth you would be better serving this parliament.

Now I come back to answer my hon. friend opposite. I am not interested in asking the minister questions. I want to ask questions of witnesses. I want to question publishers who have been in the daily and weekly newspaper business, and in the magazine business. If the bill were sent to a standing committee we could hear from representatives of *Time* magazine and *Reader's Digest*. Then I could find out who was being discriminated against. I want to ask questions in a standing committee of those people who have been in the business for a certain length of time. That is the point I am making. I hope I have made that point very clear.

Some hon. Members: Oh, oh.

Mr. Hees: It takes a while for it to sink in.

Mr. Woolliams: It certainly does. Now we come to the question of subsidies. We know, and the minister and the governement know that the extra cost is going to be passed on to the newspaper subscriber. Take the case of the Calgary *Herald* and *The Albertan*: If the subscription costs to their rural readers is now $12, $14 or $15 and the new postal increases are passed on to them they will have to pay $40 to obtain newspapers in the rural areas outside the city of Calgary. The same will apply in the city of Edmonton. The same situation will exist all across the nation.

This is the evidence we wanted to bring out in a standing committee. The Canadian people want to hear more evidence about the figures the minister has produced. We want to know how those figures were arrived at. We know what happened about the figures in the budget. Even with the use of the great modern equipment, they were only out $400 million or $500 million. I know I might hurt the sensitivity of the minister in saying this, but if they can make a mistake like that, then it is quite possible that this minister could be out in his figures. Let us have a committee examine the facts so that those facts can be brought forward in this house in an intelligent manner, so that parliament and then the people will be able to determine whether the figures the minister has now set out in the rate studies are proper.

• (10:50 p.m.)

The minister says there has been some disregard for parliament because we dare debate a bill. What is this bill all about? It is a very important bill. This government is prepared, as another member said, to give a bonus to the C.B.C of $150 million. The daily newspapers, the weekly newspapers and periodicals of this nation disseminate the news across the nation. That is what parliament is all about. This is probably the most important bill that will come before parliament. After all, the most important thing in a democracy is an informed public. How can the public become informed if the people do not have an opportunity to read the daily newspapers, the weekly newspapers and periodicals? After all, we have found out during this debate that

we do not influence the Liberals. They stand together back to back, block to block.

Some hon. Members: Hear, hear.

Mr. Woolliams: And they clap at their own idiocy. The people we influence in this parliament, whether we speak from that side of the house, this side of the house or even in that corner where they clap so much, are the Canadian people—public opinion. When public opinion is influenced, that is what democracy is about. When a government cannot stand the heat, it gets out because public opinion has found that it is wrong. We have seen governments retreat. The last Liberal government was a retreating government. This government says it is going to bull its way through, no matter what. That is the attitude of this government.

I should like to put on record the opinion of the daily newspapers. I am sure the hon. member for Calgary South received a letter from the daily newspaper in our city. This is the newspaper opinion I should like to quote:

> Postmaster General Eric Kierans continues to display a lamentable misunderstanding of the significance of his proposal to increase newspaper postal rates by 100 per cent on news content and 300 per cent on advertising content.

It is interesting to note that we are increasing our rates on second class mail by 100 per cent and 300 percent, while the United States—and I am taking into account the concentration of population—has only increased its rate by 13 per cent or 14 per cent.

> It is the subscribers who get their newspapers by mail—rural subscribers in particular—who will bear the brunt of this tremendous jump in cost, not the newspaper.

The minister really has said to the daily newspapers that the farmers are not entitled to their mail. We know that the other minister has handed over the farms to the chartered banks of Canada because of the interest rates. Now this minister has taken away the weekly and daily newspapers from the farmers by these costs. The quotation continues:

> Yet Mr. Kierans complained in the House of Commons on Tuesday that the present post office 'subsidy' to newspaper publishers amounts to around $37 million.

Does the problem not boil down to one thing, the financial priorities? It is fine for this government to squander $54 million on the national arts centre, which will cost this nation perhaps $3 million or $4 million a year to operate. That is fine. But it is not fine that we should subsidize the consumers or subscribers of the daily newspapers of the nation in the amount of $30 million. We squander $54 million, and another $3 million per year to operate this arts centre, and when will it be finished? The Prime Minister has suggested that we cannot knock this down now because it has cost the nation too much money.

An hon. Member: Order.

Mr. Woolliams: That is their attitude. An hon. member has said "order". He has been out of order mentally and physically since he came here.

Newspapers do not recover production costs from subscriptions; they rely on advertisements for their revenue.

An hon. Member: $145 million for the C.B.C.

Some hon. Members: Hear, hear.

Mr. Woolliams: Someone said "Hear, hear". Obviously he is getting good coverage over the C.B.C. I should like to ask the government how it is that the C.B.C. can come to this government, when we are worrying about deficits in this country, and ask for moneys in the way of loans which will never be paid back, without the approval of parliament? If that is not discrimination—and I have some respect for the C.B.C. because it was created under a Conservative government—

Some hon. Members: Oh, oh.

Mr. Woolliams: This is discrimination against the daily and weekly newspapers in preference to the C.B.C., so far as the dissemination of news is concerned.

May I call it eleven o'clock, sir?

The Acting Speaker (Mr. Béchard): It now being eleven o'clock I shall rise and report progress and seek leave to sit at the next sitting of the house.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, while the Postmaster General is leisurely considering his answers to all the questions put to him today, I should like to ask the house leader to consider bringing the cash advances bill before the house first thing tomorrow so we can pass that?

Mr. Macdonald (Rosedale): Mr. Speaker, it is just one week ago tonight that hon. members opposite had the opportunity to pass these farm credit measures, but they refused to do so. If hon. members opposite will stop their filibuster and pass the post office bill, and then co-operate in the remaining stages of the amendments to the Farm Credit Corporation Act; then if they are really keen on having the cash advances measure put through, perhaps we can do so.

Mr. Woolliams: I rise on a point of order, sir.

Some hon. Members: Order.

The Acting Speaker (Mr. Béchard): Order, please.

Mr. Woolliams: Mr. Speaker, why should he have the opportunity to speak when I am denied the right to speak? I am very happy that you have sat down, because if that hon. member has the right to speak, then someone on this side should also have the right to speak. There is no filibuster on this side.

Some hon. Members: Oh, oh.

Mr. Woolliams: That minister, "Mr. Goebbels", the minister of propaganda, knows there is no filibuster. He is just doing this to refute a reasonable argument.

The Acting Speaker (Mr. Béchard): Order, please.

At eleven o'clock the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Friday, October 25, 1968

The house met at 11 a.m.

HOUSE OF COMMONS

UNVEILING OF PORTRAIT OF FORMER PRIME MINISTER

Mr. Speaker: Hon. members are aware that last evening a pleasant function for all concerned was held on the occasion of the unveiling of the portrait of a former prime minister, Right Hon. Lester Pearson.

Arrangements were made to take a verbatim report of the proceedings, and it is my suggestion to the house that the report be made a part of today's *Hansard*. Is it agreed?

Some hon. Members: Agreed.

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

PRIVILEGE

MR. SPEAKER—STATEMENT ON ALLEGED ALTERATION IN "HANSARD" REPORT

Mr. Speaker: I have now had an opportunity to look into the alleged alteration of *Hansard*, raised yesterday as a question of privilege by the hon. member for York South.

I have ascertained that as claimed by the hon. member for York South there has been an alteration in the Prime Minister's spoken words. The words "levying more money" were changed to "finding more money". Upon further inquiry it has been ascertained that the changes were made by the editorial staff of *Hansard* on their own initiative. Neither the Prime Minister nor his staff were consulted in making the alteration. The explanation given by the editor is that in his view the phrase "finding money" appeared to be more idiomatic than "levying money". This, of course, is a matter of judgment. Obviously the editor's opinion has not met with the approval of all hon. members of the house. At the same time I am sure most members will acknowledge that editorial changes normally tend to improve verbatim reports.

Some hon. Members: Hear, hear.

Right Hon. P.-E. Trudeau (Prime Minister): I see the hon. member for York South shaking his hands. I wonder whether he is going to withdraw his insinuations.

Mr. David Lewis (York South): I do not at all blame the right hon. gentleman for suggesting that I acknowledge the fact that the change, which I think was substantial, was made by a member of the *Hansard* editorial staff and not by anyone in the Prime Minister's office, and I do so gladly. May I say I never suggested that the Prime Minister himself was responsible for it. I am delighted as a member of this parliament to learn that the staff in the Prime Minister's office was not responsible, and I gladly acknowledge it.

Mr. Trudeau: I am very glad for the acknowledgement, but I read in *Hansard* of yesterday that the hon. member said this was an abuse of the editing privileges which members of the house have. I think this was a very clear inference, and it was supported by the Leader of the Opposition. Now we find that neither I nor my people had done any editing on this, and I think the accusation was quite wrong.

Mr. Bell: Why don't you quit while you are ahead?

Mr. Trudeau: If this were the rule the hon. member followed he would never quit, because he has never been ahead on this. I said yesterday that I would stand by any word I used because I really did not see the significance of the point of order one way or the other. I am prepared to say I am very glad that the editorial staff of *Hansard* makes my grammatical errors appear less obvious. I have no objection if they do the same thing for members of the opposition, but I have been told that I have been using an undefendable editing privilege. Now the answer is that I have not, so I suggest that the hon. member for York South and the Leader of the Opposition, who agreed with him, admit that they made a mistake in suggesting I had misused editing privileges. Let us see him answer that.

• (11:10 a.m.)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I rose yesterday to

Statement on Alteration in Hansard Report

indicate that my recollection of what the Prime Minister had said was the same as that of the hon. member for York South. We now find I was right in this regard, from what you have reported this morning, Your Honour.

I did not understand I was making any imputation against the Prime Minister; I was stating my impression of what the Prime Minister had said. The Prime Minister yesterday disputed what the hon. member for York South said, indicating his recollection was that he had used the word "finding". My impression was that he had used a different word conveying to me a different sense; and with all respect, Mr. Speaker, the word "levying" does convey quite a different impression in this context than the word "finding". I want to make it very clear that I do not want to be associated with any imputation against the Prime Minister. I don't think I have anything to withdraw.

Mr. Trudeau: What about the words about the integrity of *Hansard?*

Mr. Stanfield: The integrity of *Hansard* is the sense of reporting accurately what the Prime Minister had said. I don't want to continue this, but I think it is clear now *Hansard* did not report in fact what the Prime Minister had said, and I think the matter should be dropped there with the explanation you have given, Mr. Speaker.

Mr. Lewis: Mr. Speaker, I don't really quite know what the Prime Minister is after in his interjection. I said very clearly that I was very happy to acknowledge that neither he nor any member of his office staff had made the change. I remind the house, Mr. Speaker, that yesterday instead of the Prime Minister saying, as he ought to have, that he did not quite remember, that maybe I was right but he did not remember, he said very emphatically his memory was that he used the word "finding".

I have expressed and acknowledged clearly my satisfaction as a member of this house that neither the Prime Minister nor anyone of his office staff had made the change. To that extent I believe the Prime Minister's statement yesterday that he had not made it, and I certainly am happy to know the fact today. But if I apologize, as I did, for having suggested anything to the contrary, I think the Prime Minister has an even greater duty to apologize to the house for being so emphatic about the word that was used in *Hansard* yesterday, which was wrong and which gave a completely different meaning to his statement.

Mr. Speaker: Order, please. I doubt whether we should pursue the matter further. We have had explanations indicating that perhaps everybody was right yesterday.

Mr. Baldwin: The Prime Minister is just more sophisticated than he thought he was.

LABOUR, MANPOWER AND IMMIGRATION

First report of standing committee on labour, manpower and immigration—Mr. Caccia.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*Translation*]

SUGAR

ANNOUNCEMENT OF NEW INTERNATIONAL AGREEMENT

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I wish to inform the house that the United Nations Sugar Conference, which was reconvened on September 23 in Geneva, was successfully concluded October 23. The conference adopted the text of a new International Sugar Agreement for the consideration of governments with a view to bringing it into force on January 1, 1969. This follows a number of attempts to negotiate an arrangement to replace the former International Sugar Agreement which lapsed on January 1, 1962. The new agreement is for a period of five years, subject to a review of its economic provisions in the third year.

The new agreement provides for export quotas to be adjusted when market prices exceed or fall below specified price levels from 3.25 to 5.25 U.S. cents per pound, f.o.b. Caribbean Port. Other provisions include supply commitments by exporting countries as well as importer undertakings regarding access and limitation of imports from non-members. The supply commitments are of particular importance to importing countries such as Canada since they are designed to ensure that consumers will not be called upon to pay excessive prices in periods of world scarcity of sugar.

The purpose of the new agreement is to achieve a more orderly world sugar economy

in the interests of both exporting and importing countries. It will protect the interest of Canadian consumers in the event of excessive prices, such as occurred in 1963, and at the same time will benefit many developing countries, including those of the Commonwealth Caribbean, by improving the returns from one of their chief exports. The government fully supported the negotiation of this agreement, which represents a major achievement of international co-operation.

[*English*]

Mr. A. D. Hales (Wellington): Mr. Speaker, the house is interested in hearing this report on the United Nations sugar conference. I am at a loss to know why it has taken six years for this conference to be reconvened after it had lapsed in 1962. I wonder why Canada did not make a greater effort to have this conference called and concluded long before now. This report does not tell us what is the government's stand on this matter. It simply says that Canada has agreed with other nations to enter into negotiations. As I understand it, Canada has until some time in December to decide whether to sign it.

In the past Canada has not been a signatory to this world sugar agreement. I do not understand why. It seems as though we have been more willing to buy sugar on the open market as cheaply as we can from whomever we can including Cuba, and that we have not considered those Commonwealth friends of ours in the Caribbean who produce sugar and have been eking out a very meagre existence from the sale of sugar. I am sure the people in the Caribbean would much sooner receive a fair price for their sugar production than be given a handout in the form of external aid.

I hope therefore, when the time comes to sign this proposed document, Canada will see fit to become a member of the world sugar market.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to join with the hon. member for Wellington who has just spoken, in welcoming this announcement. I do not claim to be an expert on the subject of sugar, but we all know that sugar is an important commodity for consumers. The minister in making his statement emphasized the value of stability of prices and supplies for consuming or importing countries such as Canada.

I should like to emphasize the importance of this commodity to the exporting countries. We all know of the tremendous poverty which exists. Among the countries which are suffering from extreme poverty are those which are producers of sugar supplies. Any stabilization under a national agreement would be of very great importance to these countries.

We therefore welcome this announcement. We hope the government will proceed to deal favourably with the proposal which as we see it will be of benefit to all concerned in this matter. We hope this will be the precursor of more international arrangements. The deep problem of poverty in the world will not be solved by handouts alone, although economic aid is important. It will be solved by expanded trade, and this is the way to achieve it.

• (11:20 a.m.)

SUPREME COURT ACT

AMENDMENTS RESPECTING APPEAL PROCEDURES

Hon. G. J. McIlraith (for the Minister of Justice) moved the first reading of Bill No. S-8 (from the Senate), to amend the Supreme Court Act.

Motion agreed to and bill read the first time.

EXTERNAL AID

NIGERIA—DELAY IN USE OF HERCULES AIRCRAFT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I ask leave to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the urgent need of making Canadian Hercules aircraft immediately available to the churches and other relief organizations now engaged in flying supplies from Sao Tomé to Biafra in order to provide urgently needed supplies to the starving children in that area.

Perhaps I may address the Chair on the question of the urgency of debate. I am well aware that what is now to be discussed is not the subject matter of the motion but the question of urgency of debate. I believe I can establish this urgency. I am well aware that this matter is generally under discussion by the standing committee on external affairs and national defence, but I intend to point out to Your Honour that the specific emergency which is dealt with in this motion is under the immediate control of the government, and cannot await the deliberations of that committee.

Delay in Use of Aircraft for Biafra

The general background of this matter is well known to the house, and I will only mention the outstanding matters which have to be considered when considering the urgency of debate. There is reliable evidence that upwards of 6,000 are dying daily in Biafra, mostly children, and that the provision of supplies to relieve this starvation is an urgent matter. Surely that requires no argument.

More than two weeks ago the hon. member for Egmont (Mr. MacDonald) and I visited São Tomé and Biafra. We inquired as to what should be done by way of relief. We discovered that the nightly airlift from Sao Tomé to the airstrip of Uli within the Biafra-occupied region was the most efficient operating means of getting in supplies. This is being operated by Caritas International and the Protestant churches as a non-political activity using aircraft loaned, among others, by the Swedish and West German governments, and chartered by the church organizations.

When we asked the man in charge, who happens to be a Canadian, what was the greatest need to increase the supplies he replied "Hercules planes are urgently needed, as their capacity is in the neighbourhood of 20 tons per trip." This can be compared to roughly 10 tons per trip in respect of the planes now being used. He also indicated the Hercules have adequate cargo doors to enable loading and unloading more quickly. He said "I would give my eye teeth for even one Hercules".

Upon our return we reported this to the Secretary of State for External Affairs in New York on October 8. About this time the minister announced that the government of Nigeria had agreed to the flying in of supplies to Biafran-held territory by a Canadian aircraft in conjunction with the International Red Cross, and stated that the Canadian government had indicated its willingness to make this Hercules plane available.

At a meeting on the same day in New York, October 8, at the United Nations offices of the Nigerian government—the meeting was arranged by the Department of External Affairs—Dr. Arikpo, the distinguished foreign commissioner of Nigeria, stated in the presence of representatives of the Department of External Affairs, the minister's parliamentary secretary, several other members of parliament on the delegation to the United Nations, the hon. member for Egmont and myself, that the Nigerian government was willing to permit the Canadian government to loan aircraft to the Red Cross for the operation of the emergency airlift into Biafra.

[Mr. Brewin.]

At that time, knowing the urgent need of the churches' operation from Sao Tomé for Hercules, and the efficiency of this operation, I specifically asked Dr. Arikpo whether this consent extended to Hercules aircraft made available for the churches' operation from Sao Tomé. Dr. Arikpo replied with perfect clarity that it did, subject to one proviso only, that the Red Cross would provide someone to inspect the cargoes of the airlift, and would provide insignia for the aircraft so used.

We all know that since that time the Canadian government has sent two Hercules to Africa—perhaps it is three, but I understand two have been flown to Africa—one of which I understand is in Lagos, which it was proposed should be used to transport supplies into the Nigerian-occupied sections of Biafra. Another aircraft is at Tenerife island to be available to go to Fernando Po, and another is in Brazil. I believe this aircraft is still in Brazil, ready to fly over as required.

These plans have proved to be abortive. It has been suggested that the landing strips in the areas of Biafra occupied by Nigerian forces are not suitable for landing in Nigeria, or the Nigerian military authorities are unwilling to give their final consent. The difficulty in respect of the airlift from Fernando Po seems to lie in making contact with the government of Equatorial Guinea. But there is one avenue left, and that is the one from Sao Tomé. That avenue has proved in the past the most successful and promising outlet of all, and in this respect a very strange situation has arisen. On Tuesday last I asked the Secretary of State for External Affairs a question, and he said in reply:

—I have not been able to confirm that such statement—

That is the statement by the foreign minister of Nigeria that he would agree to the flights from Sao Tomé if supervised by the Red Cross.

—is true, but I am still making inquiries.

I asked him again on Wednesday and on that day the Secretary of State for External Affairs repeated that he was trying to find out whether this was so, but that unfortunately the commissioner for foreign affairs for Nigeria was in hospital.

I find it very difficult to understand why the minister needs to delay in finding out

whether or not Dr. Arikpo made the statement which I have asserted he did make. If the minister does not believe the hon. member for Egmont and myself when we make this assertion, surely he can confirm this from his officials in New York, his parliamentary secretary and others who were there. I suggest there is no need to wait for consent, because it is there.

I know, Mr. Speaker, that I must bring these remarks to a conclusion shortly, and I shall. I appreciate that the consent of the Red Cross is required, but surely the minister, who can arrange to send 100 or so armed personnel, can arrange with the Red Cross to send the one or two men necessary to Sao Tomé to carry out the inspection there. That was the only condition.

I am sure that in a desperate emergency, when children are starving by the thousands, the Red Cross will not delay its co-operation, and I am quite sure I speak for the church organizations who are running the supplies in when I say they will do all they can to co-operate. This is a matter in which death and agony increase day by day, and each and every day wasted is a day in which more thousands will die.

While the minister hesitates about confirming something which happened nearly three weeks ago, of which I suggest there is firm and credible evidence, and while he hesitates to establish the necessary co-operation with the International Red Cross, the one most promising means of sending in supplies is not used. It has even been suggested that we are going to bring back the Hercules and provide smaller aircraft that can fly into Nigeria.

• (11:30 a.m.)

Canada's good intentions will be made a mockery unless there is immediate action. The government must not postpone until the committee has reported, or postpone from day to day, perhaps for weeks, the provision of the urgently needed Hercules in the Sao Tomé operation. I suggest the reason for this debate is not only that the matter may be clarified, but also that this house may express its views on a matter deeply affecting Canada's humanitarian purpose, deeply concerning public opinion and deeply affecting Canada's reputation for efficiency.

Mr. David MacDonald (Egmont): Mr. Speaker, I will not take very long in speaking on the urgency of this motion because I believe Your Honour has already heard a very full and excellent statement on this point from the hon. member for Greenwood. But I would like to indicate to the house that what we are faced with is in fact a matter that is of great interest and one that will undoubtedly cause considerable suffering not only to the people of Biafra and Nigeria but also to the people of this country. We have become well aware in the weeks that have passed that a tremendous amount of public interest and concern has grown in this country.

I would refer Your Honour to citation 100 (2) of Beauchesne's fourth edition, which says in part:

> The "definite matter of urgent public importance", for the discussion of which the adjournment of the house may be moved under standing order 26, must be so pressing that public interest will suffer if it is not given immediate attention.

May I emphasize in particular the last phrase which reads "must be so pressing that public interest will suffer if it is not given immediate attention". It is particularly in this area that we must think very seriously of the motion proposed by the hon. member for Greenwood. For the last two and a half weeks there has been an unusually keen public interest in the activities of our government with regard to the relief operations for Biafra and Nigeria. When the government was finally able to arrange with the government of Nigeria the use of our Hercules aircraft I think all Canadians breathed a great sigh of relief that we would now be able to take a forward step to relieve the starvation of many thousands of people both in Biafra and in Nigeria. Since that time two and a half weeks ago many thousands of lives have been lost. Perhaps it is a little too callous to suggest that part of the reason is that we have not been able as yet to put our Hercules aircraft into service. How many lives were lost can never be determined, and now we face future uncertainty.

Whether it is a matter of 6,000 or 10,000 lives lost a day, each day as it goes by spells untold suffering for the people in that area. We know from personal experience, and we are not alone in this, that there are facilities that could be used tonight if our Hercules aircraft were available. We believe there is some danger that if further delays occur in the possible use of the Fernando Po route, these aircraft may have to return to this country. It seems to be of the utmost importance that we take action not in two days' time or in two weeks' time but today, to make sure that our Canadian aircraft can serve the purpose for which they were sent,

that is to alleviate the suffering and starvation in Biafra and Nigeria.

Mr. David Lewis (York South): Mr. Speaker, I rise to make two points to Your Honour which, to me at least, suggest there is clearly urgency of debate in addition to the urgency of the matter with which the motion deals. May I remind Your Honour that on a number of occasions several of us in this house asked the Prime Minister and the Secretary of State for External Affairs whether they would not consider sending the Hercules aircraft to Sao Tomé pending the various consents which they are trying to obtain with respect to the use of the Hercules via Lagos and Fernando Po. In every case the Prime Minister and the Secretary of State for External Affairs insisted that the arrangement through the International Red Cross had to stand and that they were not prepared to send the Hercules to Sao Tomé for use by the church relief organizations. We have therefore had the spectacle of planes, which for the last number of days could have been delivering urgently required supplies to Biafra, standing idle in Lagos, in Cerife and on Ascension island doing nothing.

I would also remind you, Mr. Speaker, that the other day when the Secretary of State for External Affairs was asked by a member of this house why the Hercules were not being used, he informed this house that there was an additional reason, namely that the airstrips in occupied Biafra did not appear to be good enough to receive the Hercules. If my memory serves me correctly, and I think I am accurate, he added that they had to consider whether to pull the Hercules back and replace them with other, smaller planes.

Mr. Speaker, the main reason I rise today in support of urgency of debate of this matter is the fact that this operation can be undertaken either today or over the week end. According to the answer which the Secretary of State for External Affairs gave, and according to reports, it is quite possible that the government, in line with its determination that the Hercules only be used through Fernando Po and Lagos by the International Red Cross and by no one else, will decide that these planes will be brought back home and we will have to start the whole thing over again by sending planes back to do this urgent and humanitarian job of providing relief.

I suggest to you, Mr. Speaker, that the obvious likelihood contained in the answer by the minister that the planes will be returned home makes this matter of immediate urgency for debate in this house so the government may have its mind changed as a result of discussions in this house, and so these planes which are waiting helplessly and uselessly now may be used as they ought to have been used from the first day, through Sao Tomé for the delivery of supplies to starving thousands in Biafra.

Mr. Speaker, if I may put this as strongly as I can, I ask you to permit the members of the opposition to tell the government today that so far as we are concerned we will not stand for the return of these planes to Canada. They can be used. There are church organizations in Sao Tomé that have already flown supplies into Biafra, and they are eager to have these planes. It is nothing but the most arid, irrelevant and hard headed obstinacy which prevents these planes from being used for this humanitarian purpose and that lets them stand idle and useless instead. We have to express this view today, not tomorrow or on any other day, because Monday may be too late.

Before I sit down may I say, Mr. Speaker, that it would have been desirable if the Secretary of State for External Affairs had been here. He is not here today, and on Sunday he leaves for a very necessary mission to Latin America which, if my memory serves me right, will keep him away for a month, from October 27 to November 27. So the absence of the Secretary of State for External Affairs today cannot possibly be a reason why this should not be debated today. If this parliament is at all meaningful in the life of the people of Canada and in the life of peoples throughout the world, and if our job as parliamentarians has any purpose at all, then the discussion of this urgent matter of providing necessary relief for starving thousands seems to me to transcend any other subject which may come before the house today. The likelihood of these planes being returned home makes it all the more urgent that we debate the matter now, and not even an hour from now.

• (11:40 a.m.)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to say a few words in support of the motion of the hon. member for Greenwood (Mr. Brewin).

I do not intend to talk at length of the urgency of the matter, for I think that point has been quite well made by the member for

Greenwood and those who spoke after him. However, I should also like to insist on the debate taking place today, Mr. Speaker, because although the government has not misled us deliberately, it has not clearly stated its intentions concerning the humanitarian help it has been asked to give to Biafra, and it seems to be stubbornly refusing to help that country. The government seems to have agreed to lend its Hercules aircraft to help the Nigerians rather than the Biafrans, although, according to the information we have received in the committee on external affairs and national defence, the need exists rather on the Biafran side.

Yet, Mr. Speaker, one knows that other organizations such as Caritas and the World Council of Churches can go to Biafra. It may be that the Hercules are too heavy to use the landing strips in Nigeria, but if the other organizations can go where the disorder is most serious, I think that the government should consider using the Sao Tome base to send relief where it is most needed. We are told that the two Hercules are ready to take off, but no one does very much except drink beer.

Therefore, Mr. Speaker, I think that we should study the matter today in order to find out exactly what the government intends to do. It is unfortunate, as stated by the hon. member for York South (Mr. Lewis), that the Secretary of State for External Affairs (Mr. Sharp) is not here today, but I think that his colleague the Minister of National Defence (Mr. Cadieux) could be here within a short time to tell us the government's plans.

Mr. Speaker, we learned this morning that there is a possibility that the Hercules might be brought back to Canada instead of being sent to Biafra; I feel that perhaps we should consider replacing the Hercules by lighter planes which could land on the runways in that area.

What we want to know today is whether the Canadian people are not directly involved in the urgency of this matter. I feel that the Canadian people are entitled to know what is being done with their money and what humanitarian steps are being considered. Of course, we are not asking the government to go and wage war in that area, but we are asking it to help those who are hungry, who are sick. In fact, we are told that thousands of people are dying each day from starvation and disease. If the government used the planes which are in readiness, we could help these people and save a large number of lives.

Consequently, Mr. Speaker, I believe the time has come to act and to know clearly what the intentions of the government are in this regard.

[*English*]

Mr. David MacDonald (Egmont): I rise on a point of order, Mr. Speaker. In view of the great importance of this motion I wonder whether the Prime Minister would ask the Secretary of State for External Affairs to come into the house, in spite of the fact it is his day off, so he could give us his views on this important problem.

Hon. Donald S. Macdonald (President of the Privy Council): I should like to address myself, Mr. Speaker, not to the merits of the issue as other hon. members have, but to the only question which should be considered at this time, that is the procedural question of whether there are other opportunities available for this matter to be discussed. I should like to remind you, sir, that according to citation 100(3) of Beauchesne's fourth edition, the following distinction is made:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

On October 7, by means of a motion I moved, the estimates of the Department of External Affairs were referred by this house to the standing committee on external affairs and national defence. As Your Honour knows, since then that committee has been engaged in a very active consideration of the events in Nigeria. It is not open to me at this stage in the proceedings to go into what the committee has been discussing, but I believe it is quite clear there is every opportunity for hon. members, if they are interested in this particular aspect of the situation, to have it discussed within the framework of that particular committee. This committee is still meeting; therefore there will be every opportunity in the committee for the question to be discussed.

Perhaps the only other citation which is of interest in this procedural discussion is citation 288 of Beauchesne's fourth edition, which reads as follows:

> Committees are regarded as portions of the house and are governed for the most part in their proceedings by the same rules which prevail in the house.

It is clear, therefore, that since the estimates are still being considered by that committee, this is the area of parliamentary proceedings in which the matter should be discussed. By a specific motion this house has chosen the committee as the place to deal with this particular question. If I may borrow some of the terminology used by the hon. member for Greenwood, it seems to me it would be making a mockery of the proceedings of the committee, and indeed of the standing orders of this house, to suggest that a matter which has been so actively pursued during the last several weeks before that committee should be taken away from the committee and dealt with in this chamber. The subject matter before the committee provides the fullest opportunity to go into all aspects of the question. I think we can take notice of the fact that this has taken place.

I suggest, Mr. Speaker, that there is not the urgency of debate necessary to adjourn the ordinary business of the house. If there be urgency in the subject matter which is referred to in the motion of the hon. member, then he and others who have supported him should be active in seeking a discussion of that matter within the standing committee on external affairs and national defence.

Right Hon. J. G. Diefenbaker (Prince Albert): It is often said, Mr. Speaker, that parliament is in disrepute. Parliamentary institutions everywhere in the free world are under attack. Here we are, under circumstances that touch the hearts and minds of humans everywhere, with occurrences taking place that we have it within our power to do something about, regardless of the attitude of those people who live in countries adjoining Nigeria, and we stultify ourselves by the rules. It was never intended that a government should hide behind the rules when a matter as emergent as this is taking place. There are no arguments that can be advanced. The government is adamant in inaction and refuses to give the members of this house an opportunity to speak. This is the clear import of the words of the hon. gentleman who just preceded me.

Surely there are members in this house supporting the government who are prepared to take a stand on an occasion like this when a principle is at stake. This nation's prestige is at stake. Canadians everywhere ask "Why don't you do something? Can't you get this government to act?" Parliament has been stultified and hamstrung. The hon. gentleman says "Why don't you go to a committee?" Parliament is supreme, and a committee is simply an adjunct. Surely, regardless of the rules, the government will at least take a stand instead of pussyfooting around, procrastinating, promising action for three weeks and doing nothing.

[Mr. Macdonald (Rosedale).]

• (11:50 a.m.)

Mr. Ian Wahn (St. Paul's): Mr. Speaker, the question before us is the urgency of debate. About three weeks ago this general subject matter was referred to the committee on external affairs, of which I am chairman. Since then the committee has met almost daily, meeting two or three times a day sometimes, and has heard a great many authoritative witnesses among whom were some suggested by the hon. member for Greenwood and his colleagues. We are still awaiting a brief which the hon. member for Greenwood says is essential for the preparation of our report. The report is being prepared now and will be considered by the steering committee on Monday. If at that time we have the cooperation of the hon. member for Greenwood and others on both sides of the house, we hope to have the report available for debate early next week.

As a result, I find it difficult to understand why this motion has been put. In any event I do not think it should be proceeded with, since there is no urgency of debate.

The right hon. member for Prince Albert spoke sincerely of the importance of parliamentary institutions. Important to our parliamentary institutions are committees and the development and maturing of our committee system. Entertaining this type of motion would do a great deal to undermine the development of our parliamentary committee system. I do not understand the purpose of the motion, when one considers that the external affairs committee, on which there are 30 members of all parties, has sat for three weeks considering the matter which the hon. member now wishes to have debated by this house.

Mr. Brewin: Will the hon. member permit a question? Does the hon. member not think that it is important today, tomorrow and Sunday, to move emergency supplies?

Mr. Wahn: Naturally I consider that important. Supplies should be moved at the earliest moment, but I do not think the procedure suggested by the hon. member for Greenwood will advance us very far toward that goal.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, without doubt the situation in Nigeria and Biafra is urgent. It was urgent some time ago, urgent enough to bring the committee on external affairs into emergency session. Hon. members of the New Democratic party have pleaded eloquently, and have described the urgency of the situation in Nigeria. Nevertheless, here we are concerned with the urgency of debate, and it is for Your Honour to decide whether such a debate is a matter of urgency weighty enough to adjourn the normal proceedings of this house.

It has been said that this matter is before the committee on external affairs. Though it is an urgent matter, it is interesting to note that the N.D.P. members have not made any concrete proposals before that committee.

Mr. Speaker: Order, please. I remind the hon. member that he ought not to discuss the deliberations of the committee itself.

Mr. Stewart (Cochrane): I am sorry, sir. I was carried away. The urgency of debate—

An hon. Member: Let me help you.

Mr. Stewart (Cochrane): I need no help from the hon. member from Nova Scotia.

Mr. Donald MacInnis (Cape Breton-East Richmond): I rise on a point of order, Mr. Speaker. The hon. member is casting reflections on a Nova Scotia member. I am a Nova Scotian, and at no time did I make a remark about helping the hon. member. I think the hon. member owes an apology to every individual in this house from Nova Scotia. The hon. member ought to identify whoever he is addressing his remarks to.

Mr. Speaker: Order, please. I have listened to arguments in favour of and against the motion, but should any other hon. member wish to talk about the procedural aspect of the matter I will not stand in his way. I may tell hon. members that, having heard arguments, I am now ready to exercise my prerogative and render a decision, but I see the hon. member for Winnipeg North Centre wishes to continue the debate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, addressing himself to the question of urgency of debate the President of the Privy Council if I understood him correctly, dealt with two main points. Perhaps I might be permitted to deal with them in reverse order. His second point was that this matter ought to be left to the standing committee on external affairs and national defence. I submit that the chairman of that committee, the hon. member for St. Paul's, has answered that argument by saying that the committee can deal with this matter some day next week, at the earliest. I submit this is a matter of urgency, and by that I mean it is urgent today, tonight, this week end.

May I also say that the commtitee did not dispatch the Hercules aircraft. The government dispatched them after the Secretary of State for External Affairs had announced the matter in the house. The use of Hercules aircraft was raised on the floor of the house. In this motion we are not dealing with the entire problem, but only with the use of the aircraft that have been dispatched and are not being used for the purposes for which the Secretary of State for External Affairs said they would be used.

We are led to believe that these aircraft will be brought back, and that has created a new emergency that is of urgency this very week end.

As the right hon. member for Prince Albert correctly said, the other point raised by the President of the Privy Council relied on the technicality of the rules. He said the matter should not be raised under standing order 26 if it could be debated at some other opportunity. Yes, Mr. Speaker, there will be further opportunities for debate; we shall continue with the budget debate in a week or so, and that will provide an opportunity. But, as has been said by speaker after speaker, the urgency is today. I submit that the hon. member for Egmont was quite correct is saying that citation 100(2) of Beauchesne's fourth edition is fully appropriate when it says that the issue must be so pressing that the public interest will suffer if the matter is not given immediate attention.

The hon. members for Greenwood and Egmont have said these aircraft could be used tonight to save lives. There will be no pressure for that to be done if this matter is debated next week or the week after. I therefore contend that this issue ought to be dealt with here, where it arose and where it has been dealt with thus far. The government itself sent the aircraft, and the government is responsible to parliament itself.

I also contend that there is no other opportunity for this debate to take place. There will be no opportunity next week or the week after. There is an urgent need to make use of these aircraft tonight, tomorrow night and Sunday night to fly supplies into Biafra. We

must have a clear statement from the government that these aircraft will not be brought back with their mission unfulfilled.

Canadians are concerned, as is evident from the many young people who were in the minister's office the other day and who are on parliament hill this very week end. Their concern reflects the concern of all Canadians. We must act at once and I think we ought to debate the matter, not next week or the week after, but at once, this very day.

Mr. Barney Danson (York North): Mr. Speaker, I shall be brief. The anguish and deep concern hon. members on this side of the house feel is no less than the anguish and deep concern felt by hon. members on the other side. Yet I do not think a debate here will answer the matter. The action the government proposes to take, an action I support, will ultimately solve the problem. It is not to be solved by having hon. members score debating points or discussing this matter further.

• (12 noon)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would not want to unduly prolong this debate. I would just like to quote briefly two authors who insisted upon the sovereignty of this parliament and the importance for every member to express his views on a question as significant as the one which is facing us now, the matter of Biafra.

It is essential that the majority should be neither brutal nor tyrannical, that it should not abuse its power to go ahead without taking into account the respectable minorities which it meets on the way.

This is somewhat the problem opposing Biafra and Nigeria.

The law ought not to be the expression of an unreasoning will: "It is first and foremost—suggests Mr. Esmein, well-known author—a rule of justice and public interest.

That is why I fail to understand the stand taken by the President of the Privy Council (Mr. Macdonald), who hides behind legislation in order to curtail the sovereignty of this parliament when we know full well that the government makes decisions with regard to Biafra and Nigeria without any consideration for the proceedings of the committee, indeed it had taken some before the said committee had met.

[Mr. Knowles (Winnipeg North Centre).]

Therefore, Mr. Speaker, it is of vital importance, of national and even international urgency that this sovereign parliament be informed of this matter. Since the government agrees to account to this parliament, the matter must therefore be placed before parliament.

[*English*]

Mr. Speaker: Again, I thank hon. members for their contributions to the debate. This is obviously a very difficult decision to reach because it involves a matter of great importance and concern, I know, to all hon. members.

The hon. member for Greenwood has made a very strong case in support of his motion, and he was ably supported by other hon. members who have taken part in the procedural debate. The hon. member for Egmont has referred the Chair to a citation which is quite to the point, that is citation 100(3) of Beauchesne. I wonder, however, if the Chair can ignore the fact that as a matter of special importance and immediate urgency the whole of the Nigeria and Biafra situation has been referred by this house to a special committee. As hon. members have indicated, this committee is sitting now, and I assume it has the power to consider the special aspect of the problem which was raised by the hon. member for Greenwood in the course of his contribution.

Normally I would not think it sufficient to refuse such a debate for the simple reason that a forum existed in a committee of the house, but the situation is essentially different in this case because the house by its own special order agreed that this question of Nigeria and Biafra should be considered by a special committee.

In the exercise of its supremacy, the house has decided that this is what should be done, and I find it extremely difficult to disregard a special instruction to the committee that the situation referred to by the hon. member for Greenwood is, generally speaking, to be considered by that committee.

One of the prime purposes of a debate obtained or agreed to under the terms of standing order 26 is to permit hon. members to seek reports or to advocate specific action on the part of the government. This, it seems to me, has been done effectively by hon. members. It is obvious that the debate has ranged far beyond the usual procedural limitations on such a discussion, when contributions should be limited specifically to the question of urgency of debate rather than to the urgency

of the matter itself. Hon. members, in particular the mover of the proposed motion, the hon. member for Greenwood, in my humble view have gone somewhat beyond those limitations, have pointed out to the government the urgency of the matter and have sought some action on the part of the government which they feel should be taken. This was the approach followed by the right hon. member for Prince Albert. In other words, it seems to me that the hon. members who would normally have taken part in this debate have had spokesmen express their views on their behalf and that perhaps not very much would be gained by having hon. members repeat the representations they have already made to the Prime Minister and to the government.

In view of these circumstances I hope hon. members will agree with me that it is not possible for me at the present time to grant the proposed motion.

FINANCE

SALE OF SHORT TERM TREASURY BILLS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. It relates to a report that the government has sold treasury bills of 11 days duration to the extent of $100 million. Would the minister care to explain why it should be necessary to issue these bills of such short duration, as it seems to indicate an alarming shortage of cash?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, what happens almost every year in the early part of November is that a great many Canada savings bonds are cashed in and the cash from the new bonds does not become available to the government until a couple of weeks later. Incidentally, tenders have simply been called for this $100 million. The bills will not be sold until next week; the announcement was made yesterday. In order to get through this period when we are paying out money for Canada savings bonds which are being redeemed in very large amounts, and to protect the government's cash balances, we are issuing these short term bills.

Mr. Stanfield: I do not wish to press the minister unduly, but does not this shortage of cash leave the government in a vulnerable position, particularly should external or other difficulties be encountered? Does not this reliance upon short term money to the extent indicated leave the government in a vulnerable position, and might not difficulties arise in this connection?

Mr. Benson: I think not, Mr. Speaker. As the hon. gentleman knows, the government sells treasury bills all the time. The cash balances in November are lower because of the redeeming of Canada savings bonds, but I really think there is no difficulty of the kind suggested.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, does this situation not arise, at least in part, because this year a disproportionately large number of Canada savings bonds are being converted into the new issue and that early sales are not producing cash but merely represent an exchange of bonds?

Mr. Benson: What happens is that the early sales do produce cash but most of that cash does not come in until after the bonds have been converted. So there is a play of a week or ten days during which the government's cash balances are run down.

EXTERNAL AID

NIGERIA—DELAY IN USE OF HERCULES AIRCRAFT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the assurances given to this house that Nigeria will not object to planes being flown from Sao Tomé to territory held by Biafra, will the Prime Minister consider dispatching immediately the Hercules aircraft which are now standing idle so that relief may be brought to Biafra without delay?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the Secretary of State for External Affairs told the house a few days ago that he was attempting to receive from the Nigerian authorities assurance that they would have no objection to our having the Hercules used by the churches as opposed to the International Red Cross. These discussions are continuing. We cannot, of course, force the mind of the Nigerian authorities. Our position throughout has been—and I believe hon. members of the opposition agreed with it—that once authorization was obtained by us from the Nigerian authorities they would in turn authorize the Red Cross to operate. That was a good solution. Now that there are difficulties with the Red Cross the opposition is suggesting that we use the

churches. We would have to obtain the same permission from the Nigerian authorities with respect to the churches as we did with respect to the Red Cross. This is the way we are proceeding. We still believe it is important that we do not disregard international law and that we do not follow the advice of the right hon. gentleman from Prince Albert who feels that rules in this matter are of no importance.

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege. I never made any such suggestion. The Prime Minister is hiding behind such statements as an excuse for inaction. I was speaking of the rules of the House of Commons and suggested that they were never designed to be used by this government to stultify and prevent the Canadian people doing what is necessary.

Some hon. Members: Hear, hear.

Mr. Trudeau: Well, Mr. Speaker, I am glad to hear from the right hon. gentleman that this government is invited to disregard the rules of this house when it sees it is convenient to do so.

Mr. Andrew Brewin (Greenwood): Would the Prime Minister tell the house whether or not a determined effort is being made to check the statement I have made on a number of occasions, and which has also been made by the hon. member for Egmont, that on Tuesday, October 8, the High Commissioner for Nigeria agreed to the supplies being flown in from Sao Tome with one condition only, that they be inspected by the Red Cross? Why is further consent needed? Will the Prime Minister tell us that?

Mr. Diefenbaker: It is an escape hatch for the government.

Mr. Trudeau: Mr. Speaker, we are making determined efforts to proceed in this way if the government of Nigeria indicates its consent. As the Secretary of State for External Affairs indicated, the Commissioner for External Affairs of Nigeria is in hospital and it is very difficult to communicate with him. But my belief is that if the Nigerians ask the Red Cross to inspect the cargoes supplied by the churches and if the Red Cross is agreeable to do that, we will certainly find no difficulty. We will be very happy to proceed in this way.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question I wish to direct to the hon. member for St. Paul's as chairman of the committee. Would the hon. member undertake, as chairman of the committee, that when the report is brought in next week he will move a motion for concurrence by the house so that the house and the country can find out who is hiding and who lacks intestinal fortitude?

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the fact that before the house meets again the Secretary of State for External Affairs will have left the country, and in view of the fact that we urgently need to hear from him in some detail about negotiations or arrangements being made, either through the Red Cross or with the government of Nigeria, to bring about an effective relief action, either from Fernando Po or Sao Tome, will the Prime Minister not make the Secretary of State for External Affairs available to the house some time later today in order that he can make a clear statement so there will not be this tremendous uncertainty and confusion about what seems to be a very basic concern of many Canadians as to the whole operation of our relief effort? I am sure the Prime Minister would be anxious to have the Secretary of State for External Affairs make that kind of explanation to the house.

Mr. Trudeau: Mr. Speaker, the Secretary of State for External Affairs is not leaving the country on Sunday as the hon. member suggests. He will be here next week to answer questions or make statements as the need arises. During the time he is not here, and if it is a matter concerning the whole nation, I would be prepared to answer in his place.

Mr. MacDonald (Egmont): We are very glad to note that the minister will be here next week but there is this element of urgency of time. I think it is very important that a statement be made today. Even a matter of two or three days can be very important. We have already lost somewhat over two weeks and I am sure hon. members on both sides of the house would like this matter resolved as quickly as possible.

Mr. Lewis: Mr. Speaker, I want to ask a supplementary question concerning the Hercules aircraft, but the Prime Minister said something a moment ago that puzzled me and, if you will permit me, I would like to clear that up first. The Prime Minister said that the Secretary of State for External Affairs will be here next week, but the Prime Minister's statement yesterday on the ministerial mission to Latin America indicated that

the mission would leave on Sunday, October 27, and he named the Secretary of State for External Affairs as one of the ministers who would be on that mission.

Mr. Trudeau: I would be glad to clear that up, Mr. Speaker. The statement went on to say that we were naming five ministers to that mission in order that at any one time there would be at least two there. I indicated that the ministers would be replacing one another during the course of the mission in order that not too many of them would be absent from the house at any one time. The ministers leaving on Sunday will be the Minister of Industry, Trade and Commerce and the Minister of Energy, Mines and Resources, which means that at a later date the other three ministers I named will be replacing them in a kind of shuttle service.

Mr. Speaker: The hon. member for Abitibi.

Mr. Lewis: I thought I had Your Honour's permission to ask a supplementary question?

Mr. Speaker: Order, please. I understand the hon. member for York South rose on a point of order and he now wishes to ask a supplementary question.

Mr. Lewis: That is what I was trying to convey, Mr. Speaker. I want to ask the Prime Minister or the Acting Secretary of State for External Affairs, whichever one can tell us, about these attempts to get Nigerian consent through Dr. Arikpo in New York. When the Nigerian foreign commissioner was found to be in hospital in New York did our Department of External Affairs use our high commissioner in Lagos to get some kind of answer to this problem? Surely the Prime Minister is not depending only on the foreign secretary for Nigeria who is in New York?

Mr. Trudeau: Mr. Speaker, we are in constant and intense communication with our high commissioner in Lagos who, I may say, is doing an excellent job in a very difficult situation. I should like to put on record very clearly our position on this matter, if I may do so once again. It is that we are trying to act in a way which the Nigerian authorities will not consider hostile, and will not regard as an intervention in the internal affairs of that country. We may be right or wrong in not wanting to be hostile to Nigeria, but this is our position.

We want to act in a way which does not constitute an infringement on Nigerian sovereignty. We do so because the rules of international order mean something to us. We do not believe we should intervene, as one African leader described it at the United Nations, in a way which would be determined by the imperialist press or by opportunism. This being our position, Mr. Speaker, we decided to act. We first invited the Canadian people to act as generously as they could as individuals to relieve suffering anywhere, including Biafra. We encouraged them to do so.

But as far as the government of Canada's action is concerned we only consented to put our aircraft, our official planes and our air force apparatus at the disposition of the Red Cross when the Nigerian government said that that was all right, that it would not be interpreted as a hostile act. If the same agreement can be obtained as regards the churches—

Mr. Brewin: It has been obtained from Dr. Arikpo.

Mr. Trudeau: But that is the difficulty; to arrange that the Nigerian government is able to make sure that the cargoes going through under the control of the churches will be authorized by the Red Cross. The negotiation now is between the Red Cross and the government of Lagos.

I will go on record again as saying that as soon as that has been obtained, as soon as the Red Cross has been given the green light by the Nigerian government to inspect cargoes, the planes will fly in any direction and from any point of departure. Here again, however, we are in the hands of the agreement to be reached between the Red Cross and the government at Lagos. Our authorization lies there. I state again that probably if the Nigerian government makes this arrangement with the Red Cross, if the Red Cross is there to inspect the cargoes, and if this is done with the authority of the Nigerian government, our planes will fly from Sao Tome, Fernando Po or anywhere else.

Mr. Lewis: Mr. Speaker, so far as I am concerned I should like to ask the Prime Minister to finally assure this house that the government will not recall the Hercules planes and that they will be used from Sao Tome as soon as this, to me, unnecessary agreement is finally received.

Mr. Trudeau: Well, Mr. Speaker, with respect I must disagree with the expression "unnecessary agreement". If we do not obtain the agreement we will then be performing a hostile act.

Mr. Lewis: It is unnecessary because you have it already.

Mr. Trudeau: I have it, sir, but apparently the people on the spot are not able to operate in that direction. But, to answer the question, it is not our intention to recall the Hercules aircraft, at least not within the next few days. On our own initiative we offered to supply Buffalo aircraft because apparently they could be of more service. It is our intention to supply some type of plane. It is not our intention to withdraw the Hercules if we find they can be of service.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is very simple and to the point. Would the Prime Minister reconsider his position and ask the Secretary of State for External Affairs to come into the house today? If this cannot be arranged, will he assure the house that the minister will be here on Monday?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

Since Canada is considered a friend of both parties involved, that is Biafra and Nigeria, has the government intended or does it intend to facilitate a meeting in Canada between the two parties in order to end the conflict?

Mr. Trudeau: Mr. Speaker, the hon. member must have learned through the evidence given before the committee that both parties have already met on several occasions. In fact, they have met in African countries and they were unable to reach an agreement, because the lawful government of Lagos states: "We are ready to negotiate about the forms of federalism, provided the country is not split up".

On the other hand, the Biafran authorities say that they want to separate and that they do not trust the unity of that state.

Since the meetings between the parties have remained fruitless, I do not see in what way it would serve the case of humanity to open discussions here, when the discussions which took place in Africa or in other friendly countries bore no fruits.

It is easy, Mr. Speaker, to speak about a cease-fire, but this means that we are asking the government of Nigeria to accept the division of its country. Obviously, Nigeria does not agree to a cease-fire under such conditions.

As far as the question of knowing whether a cease-fire with Biafra being integrated into Nigeria should be looked for, I may say that the Biafran authorities themselves have refused that solution. Therefore, I wonder what new solution will be proposed.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question of the Prime Minister for the purpose of clarification. Is the government of Canada now making representations directly to the government of Nigeria so that the Red Cross may be given clearances from the government of Nigeria?

Mr. Trudeau: I cannot answer that question with absolute certainty. Once again our authorities in Lagos have been asked to implement the policy I have just announced. I am sure they are in communication with the Red Cross. I do not know exactly what exchanges have occurred between them. But the Red Cross authorities know we have the aircraft. They know we have supplies and they know we are prepared to fly them from one place to another. It is up to them to obtain agreement from the Lagos governmental authorities.

Mr. Stanfield: I most sincerely ask the Prime Minister whether he or the Secretary of State for External Affairs would make direct representations to the government of Nigeria not in an unfriendly way but for the purpose of assisting the Red Cross in obtaining the necessary clearances.

Mr. Trudeau: Yes. I am discussing this very matter with the Secretary of State for External Affairs. I have discussed it with him this morning before coming into the house and I am due to meet with him after the house adjourns.

Mr. MacDonald (Egmont): Mr. Speaker, may I ask a couple of related supplementaries. Earlier the Prime Minister seemed to imply that an agreement which was reached earlier with the Nigerian authorities is now being reneged on in Lagos. Is this the situation which now exists? If so, this surely must be a strange situation in international arrangements. In view of the fact that the minister is not here today and is not scheduled to be here on Monday, and in view of the fact this would mean that a period of four days would elapse before we could have an explanation

from him, would the Prime Minister arrange for the minister to be here some time today to give us a statement in some detail?

Mr. Trudeau: Mr. Speaker, the minister is not here because he is in his office working actively on this very question. I feel it is more useful for him to do that than to be here in the house to answer questions.

Mr. Thomas M. Bell (Saint John-Lancaster): Does the Prime Minister realize that a delay of three of four days in waiting for a statement from the minister on this matter may mean 20,000 Biafran lives?

Mr. Speaker: Order.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to get some clarification from the right hon. Prime Minister.

In view of the answer he just gave the hon. member for Abitibi (Mr. Laprise), are we to understand that he no longer believes in mediation between the two parties concerned?

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a point of order. In the confusion I think the Prime Minister was not able to answer the part of my question with regard to whether or not Lagos is in fact reneging on the agreement.

Mr. Trudeau: No, I would not make that accusation against the government of Lagos. Hon. members apparently have referred to a statement which was made to the United Nations by the minister of external affairs of Lagos. Apparently there is some problem in respect of knowing how this will be interpreted by the government of Lagos. Frankly, at this point I cannot speak for them. I repeat that we have been endeavouring without success to clear it up both at this end by talking to the commissioner, who is in hospital and at the other end by obtaining a confirmation. Here again, however, I must repeat that the negotiation is essentially a matter for the Red Cross and if the government in Lagos chooses to interpret the words spoken in New York in a different way than they are interpreted by hon. members, then of course there is nothing we can do about it. I am not saying that this is what is being done. I am saying that it is the policy of the government at Lagos which has to be translated into action for it to be the way hon. members heard it in New York.

Mr. G. H. Aiken (Parry Sound-Muskoka): Could the Prime Minister explain about whom he is concerned in respect of his reference a few moments ago to the imperialistic press?

Mr. Trudeau: I was quoting the representative of the government of Mali at the United Nations. I was indicating to hon. members that our concern regarding the internal affairs of Nigeria, as defined by the Organization for African Unity, was well founded and that the case in that respect for internal affairs had been made by the government of Mali by saying that la presse impérialiste et les philanthropes opportunistes—I believe the phrase was—of our countries should not try to interfere in Nigeria. In other words, they are telling those who, under the guise of humanitarianism, are trying to tell Nigeria how it should settle its internal affairs; that they are acting in some direction of imperialism rather than in a sense of real concern.

Mr. Aiken: Is the Prime Minister in accord with the philosophies of the government of Mali?

Mr. Speaker: Order, please. I do not think we should enter into a philosophical debate at this point.

AGRICULTURE

REQUEST FOR ACCELERATED DEPRECIATION ON GRAIN DRYING EQUIPMENT

On the orders of the day:

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to ask the Minister of Finance whether he has received representations from the minister of agriculture for the province of Saskatchewan and, if so, will he now accede to the request to allow farmers accelerated depreciation on grain dryers?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have not received that representation in this regard. However, I did receive a representation from the hon. member yesterday and I have received representations from several members on this side of the house. I am having the matter examined at the present time.

Inquiries of the Ministry

TRADE

WHEAT—NEGOTIATIONS RESPECTING SALES TO CHINA AND RUSSIA

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce at this time in view of the Prime Minister's advice that that minister will be out of the country for some time. In view of the tremendous importance of wheat sales to the prairie economy, can the minister now state when negotiations will get under way with Russia and China regarding the remainder of our present contracts with these two countries?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker. I do not think it is traditional to give this information. I regret that, but it is better that I do not do so.

Mr. Southam: Would the minister advise whether or not any new, large wheat sales are in prospect which may alleviate the serious economic problems now facing western Canada?

Mr. Pepin: New what?

Mr. Southam: New, large wheat sales. Are there any new, large wheat sales in prospect?

Mr. Pepin: As I have said three or four times in the last ten days, this is not the market place. I have said that one of the conditions of success in business is not to announce your intentions in advance.

NATIONAL DEFENCE

NATO—PURCHASE OF COUNTER-MORTAR RADAR EQUIPMENT

On the orders of the day:

Hon. J. A. MacLean (Malpeque): Mr. Speaker, in the absence of the Minister of National Defence and the Secretary of State for External Affairs perhaps I could direct my question to the Minister of Defence Production. Will he request a reconsideration by officials of NATO of the decision to bypass the purchase of counter-mortar radar equipment developed by the National Research Council of Canada in favour of comparable but inferior equipment developed in the United States?

Hon. Donald C. Jamieson (Minister of Defence Production): Mr. Speaker, I will be glad to take the question as notice and refer it to my colleague, the Minister of National Defence.

Mr. MacLean: Will the minister indicate what representations, if any, were made to the government of the United States regarding its interference in NATO purchasing to ensure the sale of a less suitable United States product?

Mr. Jamieson: As I said, I will take the question as notice and discuss it with the Minister of National Defence.

EXTERNAL AFFAIRS

NIGERIA—CONSULTATIONS RESPECTING CEASE FIRE UNDER UNITED NATIONS

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, would the Prime Minister kindly inform the house whether the government has consulted the governments of Kenya, Uganda, Tanzania and Zambia and the Gold Coast on the question of obtaining a cease fire in Nigeria through United Nations action? If so, would he indicate what the response has been?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will check on this matter with the Secretary of State for External Affairs and find out whether there have been any such conversations. When the hon. member referred to the Gold Coast I felt he was perhaps thinking of some other country. The Gold Coast no longer exists.

[*Translation*]

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—REMOVAL OF TOLLS

On the orders of the day:

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to direct a question to the honourable Minister of Industry, Trade and Commerce.

In view of the representations made by the Chambers of Commerce and intermediate bodies, especially those from the eastern townships, is the Department of Trade and Commerce considering the removal of the toll on Champlain bridge in Montreal?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, that question comes under the jurisdiction of the Minister of Transport.

EXPO '67

INQUIRY AS TO SALE OF EXPO EXPRESS

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

Could he advise the house of the results of the talks he had yesterday or the day before with hon. Beaudry, Quebec Minister of Industry and Commerce, concerning the sale of Expo Express, and how the legitimate interests of the city of Edmonton in that connection are to be protected?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I answered that question yesterday, at least in part, Mr. Speaker.

As far as we are concerned, we respect the legal procedures already undertaken. The SUTRI company was considered the highest tenderer, the Canadian Corporation for the 1967 World Exhibition collected the deposit made by that company, and normal procedures are now under way.

However, outside of that, I said yesterday that there was a possibility of reconciling all the parties concerned. Obviously, if all the parties are reconciled, and more particularly those of the city of Edmonton, it might then be possible to come to an agreement allowing SUTRI to desist from its present legal obligation.

Mr. Lambert (Edmonton West): Mr. Speaker, I have a supplementary question.

What is the attitude of the Canadian government and the management of the corporation with regard to the proposal made by the city of Montreal to reverse the decision to sell Expo Express by public tender or, at least, to invoke the principle of annulment?

Mr. Pepin: Mr. Speaker, what I have just said implies that we do not agree with that attitude.

[*English*]

FINANCE

INQUIRY AS TO INVESTIGATION INTO BIENVENU INTERESTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question has to do with a report to the effect that certain elements of the Bienvenu empire have collapsed and the relationship with British International Finance (Canada) Limited to which the government granted a licence to operate the Bank of Western Canada. Is the minister undertaking an inquiry into the whole matter in the interest of according a high degree of protection and security to Canadian investors?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, we have been looking into this situation to determine the effect this might have on corporations which have insurance under our deposit insurance provisions, set up by the previous government a year or a year and a half ago. I will make a report to the hon. member shortly, but after a cursory examination I do not think there is any danger to depositors covered by our deposit insurance. I should like to make absolutely sure and then answer the hon. member.

Mr. Diefenbaker: Thank you very much. In view of the tangled web of financial manipulation which was apparent at the time of granting the charter to the Bank of Western Canada, what is the present position of that charter, particularly having regard to what has happened to these financial corporations connected with the Bienvenu interests?

Mr. Benson: I believe that the position of the Bank of Western Canada is, as my hon. friend knows, that it is being wound up. Its charter will lapse unless action is taken by the government to reinstate the charter. Otherwise the charter will just not be in use.

TELEVISION

REQUEST FOR STATEMENT RESPECTING STATION CKVR

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, in view of the absence of the Minister of Transport, with whom it might be of interest to have an eyeball to eyeball confrontation this morning, perhaps I might ask the Prime Minister to inquire of the Minister of Transport whether he will make a statement at an early date in connection with allegations regarding television station CKVR in Barrie?

On a point of order, Mr. Speaker. I thought the right hon. gentleman was about to give the house some indication of the situation and thereby let the public know what is happening.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was only going to ask the Minister without Portfolio to bring this question to the attention of the minister.

Inquiries of the Ministry

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I ask the Minister without Portfolio when the Minister of Transport is going to be in the house?

STUDENT LOANS

REQUESTS FROM PROVINCES FOR EXTRA FUNDS

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, my question is for the Minister of Finance. Has he received a request from any province for an extra allocation of funds under the Canada student loans plan and, if so, what has been the response of the federal government to such a request?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have received requests from several of the provinces for additional amounts under this plan. We have, as the hon. member knows, a fairly large amount of money unallocated which we normally allocate after discussions with the appropriate ministers and after we find out the needs of the various provinces. When speaking to the ministers of the various provinces I indicated that funds would be made available for loans that are made under the criteria upon which the provinces have agreed among themselves. We will provide funds even if it requires that we come back to the house with a very short bill in order to take care of this matter.

AGRICULTURE

CONSIDERATION OF PRODUCTION OF LOWER QUALITY HIGHER YIELDING GRAIN

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. Will one of the responsibilities of the grains council be to look into and possibly recommend the growing of low quality, high yield grains?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, I hope that is one of the first subjects the council will take under consideration.

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

Mr. Alexander: Mr. Speaker, my question—

Mr. Speaker: Order, please. I regret that the hon. member for Hamilton West cannot ask his question now because there are a number of supplementaries.

[Mr. Trudeau.]

Mr. Korchinski: Mr. Speaker, in view of the statement by Mr. Shuttleworth of the Board of Grain Commissioners that the regulations might be relaxed, is the government in fact planning to relax the regulations pertaining to grades of grain that have not until now been allowed in Canada?

Mr. Olson: Mr. Speaker, that statement is also related to the relaxation of the rules so we could allow some farmers in the maritime provinces to try a new variety of grain called "Opal". But we have reason to believe that there is very little or no possibility of this grain degrading the high quality standards that we have in western Canada. I am sure that Mr. Shuttleworth's statement was related to that matter.

Mr. Korchinski: Is this—

Mr. Speaker: Order, please. This is now becoming a debate. The hon. member for Hamilton West.

Some hon. Members: Hear, hear.

HOUSING

HAMILTON, ONT.—HEARING OF BRIEFS BY TASK FORCE

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to thank hon. members for their concern. I would just like to say, with great respect, that a note was passed to me yesterday in appreciation of my efforts to draw Mr. Speaker's attention to myself. The note said that if I continued these efforts much further I would lose ten pounds, and I do not think I can afford to do that.

My question is directed to the Minister of Transport, but I believe this is his day off.

Some hon. Members: No.

Mr. Alexander: I see that the Acting Minister of Transport is here, the Minister without Portfolio. In view of the representations that have been made by many people in Ontario who are doubtful about what is happening with the housing task force, I ask the minister whether the task force intends to attend Hamilton to hear briefs on housing and, if so, when?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, the schedule of the task force hearings has been made public. I do not know whether there is a specific date for Hamilton. I do not believe there is. But I will be pleased to relay the hon. member's

concern and interest to the Minister of Transport.

Mr. Alexander: A supplementary question, Mr. Speaker. Am I to conclude from the minister's answer that Hamilton is not on the task force list for—

Mr. Speaker: Order, please.

Mr. Alexander: May I rephrase my question, Mr. Speaker? Because of the peculiar situation of Hamilton in terms of its population and because of the uniqueness of the area, would the minister consider revising the itinerary in order that Hamilton may be placed thereon and briefs may be submitted to the task force? I believe the type of briefs submitted would be of help to the task force.

Mr. Richardson: Mr. Speaker, I think the hon. member will agree that the problems of one city are in many ways similar to those of other cities. The task force has a very tight schedule to meet. It simply cannot go everywhere. However, I will certainly bring the hon. member's representation to the attention of the Minister of Transport.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the continued absence of the Minister of Transport from the house, both on days that he should be here and days that he should not, will the Prime Minister consider making the Acting Minister of Transport, the Minister without Portfolio, the minister of transport, because at least he seems to want to come here and is not afraid to answer questions on this very important matter?

MESSAGE FROM THE SENATE

Mr. Speaker: Order, please. I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed the following bills to which the concurrence of this house is desired:

Bill S-9, an act respecting British Northwestern Insurance Company.

Bill S-11, an act to incorporate Aetna Casualty Company of Canada.

POST OFFICE ACT

AMENDMENTS AFFECTING RATES, ADMINISTRATION, SAVINGS BANK

The house resumed, from Thursday, October 24, consideration in committee of Bill No. C-116, to amend the Post Office Act—Mr. Kierans—Mr. Béchard in the chair.

The Deputy Chairman: Order. House again in committee of the whole on Bill C-116, to amend the Post Office Act. When the committee rose last evening clause 1 was under consideration. Shall clause 1 carry?

On clause 1—*Oaths.*

Mr. Woolliams: Mr. Chairman, when I called it eleven o'clock last night I was in the middle of some remarks in reference to this bill. In summary, I had dealt with the question of the important functions of daily and weekly newspapers and periodicals. I pointed out that they represented an important function of democracy, that they were very essential in order to shape public opinion. This is part of our democratic process and is partly how we carry out our function as parliamentarians, because it is through us that the newspapers reflect public opinion and changes come about in government.

Yesterday the hon. member for Winnipeg North referred to the figures published by the Postmaster General in the Canada Post Office financial statements and details of proposed rate adjustments. I refer to these figures because last evening the Postmaster General seemed to take the position that to have this question reviewed by a standing committee would be somewhat ridiculous because he had already set out the figures.

Let us look at the figures of the Postmaster General. With regard to daily newspapers the deficit, which is paid by the nation, was $5,637,197, and under the new proposal the Postmaster General hopes to reduce this deficit to $1,632,333. It would appear from the figures that the weekly newspapers have come out of the situation a little better, that is, they fared better than the daily newspapers. The deficit paid by the nation in respect of weekly newspapers was $2,106,669. Under this proposal the Postmaster General hopes to reduce this deficit to $2,024,808.

It is the general feeling of the weekly newspapers that these figures do not reflect the true situation because some weekly newspapers are distributed through the mail and some are carried by agents. The main burden of the increase in second class mail rates will fall on newspapers in cities of 10,000 to 20,000 people, particularly in areas of western Canada. This burden will fall on newspapers in areas like North Battleford where the local newspaper has a large rural circulation and it

is impractical to distribute the newspaper other than by postal delivery. Most dailies rely to a major extent on carrier distribution; mail rates are not a major factor. In other words, the weekly newspapers feel they are being discriminated against, particularly when they service small areas.

• (12:50 p.m.)

I remind the minister that the weekly newspapers perform an important function for the government. This is true of many weekly newspapers, particularly those such as one in my riding of Calgary North, the *Rocky View and Market Examiner,* which is published in the city of Calgary and is distributed to rural areas and small towns. Many of the bulletins which the government wishes to publish are published as a service by these weekly newspapers free of charge to the government. Therefore they are performing a service for the government and some consideration should be given them in that regard.

When one looks at the whole picture one realizes that this is where a committee should have examined the true set of facts. As the hon. member for Winnipeg North said, the deficit in delivering *Reader's Digest* was $982,388 and for *Time*, $864,000, but even under the new proposal these two U.S. periodicals will fare the best. Of course the Postmaster General said last evening that one cannot compare *Time* magazine with a daily or weekly newspaper. Nevertheless they are still competing for the advertising dollar in Canada. The deficit on the delivery of *Reader's Digest* will still cost the nation $800,570. The yearly deficit on *Time* magazine was $864,362, but under the new proposal it will still be $721,527.

I think it would be very interesting to have these figures examined by a standing committee. I ask again: What is the minister afraid of, even if there were to be a delay of 30 days in coping with the deficit in his department? We heard this morning how these committees were going to function. It is to be the beginning of a new era. The funny thing about the philosophy of this government is that when it wants to sweep things under the carpet it does not use committees but when it wants to sweep other things under a different kind of carpet and keep them out of the House of Commons so as not to embarrass the government it refers them to a committee. What kind of nonsense is this? The government cannot have it both ways. Either these committees will function properly or they will not function at all. According to the methods adopted by the committees, it seems to me that a committee headed by a government chairman and with a government majority will sweep things under the carpet anyway.

[Mr. Woolliams.]

Perhaps the following words which appeared in the *Star Weekly* of July 31, 1965, were not far wrong. This is what was written in reference to the Liberal government:

> What did the government do? It exempted *Time* and *Reader's Digest* from the very tax that was supposed to curb foreign looters of the Canadian advertising dollar.

Now the minister is doing it once again and it shows in his own figures. I would like to see them analysed and carefully scrutinized by a standing committee. The article went on to say:

> But Senator O'Leary left his fellow senators—and the country—a disturbing thought to ponder: By voting for the exemption of *Time* and *Reader's Digest* from the magazine tax, parliament "is voting for the proposition that Washington has a right to interfere in a matter of purely Canadian concern, and voting a probable death sentence on Canada's periodical press, with all that can entail for our future voyage through history".

In other words, there is discrimination because people who are competing for the advertising dollar in Canada are being discriminated against. Although these two periodicals have a Canadian section they are really published in the United States. I have nothing against United States periodicals coming to Canada. I do not have such a prejudice but I want fair play for Canadian daily and weekly newspapers and magazines and periodicals published in Canada. These two United States periodicals are receiving special treatment. It may be a little refreshing to hear talk about how Sifton Press made about $1 million but even Sifton Press, which over the years may have been liberally inclined, to put it mildly, did not fare as well as did the *Reader's Digest* and *Time* magazine because both these periodicals taken together will be subsidized by the Canadian taxpayer to the tune of $14 million.

Many sharp words were used with regard to the Postmaster General. I feel most sincerely sorry for him. He is the instrument to pilot this bill through for the government. Hon. members will recall that he was the last to be appointed to the cabinet. I believe the Prime Minister let the cat out of the bag today when he referred to the imperialistic press. I was going to say this anyhow but it only confirmed and corroborated what I was thinking. Some publishers who are very liberally inclined have told me that they have a

feeling—and this is why I have some sympathy for the Postmaster General—that the Prime Minister has a dislike and mistrust of newspapers. In the swinging era, as he calls it, with half the cabinet here and half the cabinet away he would rather be on television and would rather run the country by himself through television than allow the news to be disseminated through daily newspapers.

Some hon. Members: Oh, oh.

Mr. Woolliams: In that regard I have some sympathy for the Postmaster General because he is doing the job for the Trudeau government in the Trudeau way and he is the unfortunate instrument to pilot this bill through against a lot of pressure with regard to discrimination against our daily and weekly newspapers.

Perhaps the old thinking still exists in the new era, and to prove this let me repeat some of the Prime Minister's statements. In March, 1963, in a very famous article in which he dealt with the philosophy of the Liberal government, which is so evident in the way in which this bill is being piloted through the house, this is what he said about his Liberal friends:

> Say anything, think anything you like. But put us in power, because we are best fitted to govern.

He also said: "What idiots they all are", speaking about the Liberals. This is what he called them, not I. Now he uses the same philosophy in this House of Commons in appointing the Postmaster General to pilot this legislation through and to thrust it on the country whether or not it wants it.

Mr. Harding: Mr. Chairman, it is one o'clock and there are still a few questions to be asked on this clause. May I call it one o'clock?

[*Translation*]

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

At one o'clock, the house took recess.

[*English*]

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Harding: Just prior to the recess, Mr. Chairman, a number of questions were put to the minister. I do not know whether he wants to reply before a few more questions are asked. Probably he could add another question or two to the list which he no doubt has before him.

We have had a fairly lengthy debate on the legislation dealing with the Post Office Act but I think there are still a number of questions which have not really been cleared up by the Postmaster General. It is my intention to try to get a little more information before we allow clause 1 to pass. I want to point out that when we started the debate on the post office bill the Postmaster General indicated that a large number of changes would be made. Since that time we have seen the pleas put forward, mainly by opposition members, gradually soften the stand he had taken. One of the issues is related to rural delivery, which is vital to my area. I am very happy to learn that apparently the Post Office Department is going to continue delivery of mail to rural areas on Saturday. The minister also suggested that there would be a graduated increase in some of the rates to be charged under clause 4. We have not been told what this scale will be but I presume we will learn that when the clause is before us.

There are several other points I should like to draw to the attention of the minister before we proceed. I feel it is true, as has been stated, that the newspapers are certainly getting a subsidy. However, it is a subsidy that is passed on to the consumer. In my area the people are going to have a substantial increase in the cost of their daily newspaper because it is delivered by mail. I believe this is one of the few areas in British Columbia where over a quarter of the total circulation of this newspaper goes through the post office. An extremely heavy burden by way of postal charges will be borne by this newspaper. I refer to the Nelson *Daily News*. I am certainly fed up with having the people who live in the 62 rural communities in that area called upon to pay a 25 per cent increase in the cost of their reading material.

As I indicated yesterday, there is no doubt in my mind about what is going to happen. Many of them will be forced to drop their subscriptions. As we heard last night, we are subsidizing two United States magazines to the tune of $1.5 million, $800,000 for one and $700,000 for the other. I have no hesitation in saying that if anyone deserves a real subsidy it is the people who have pioneered and live in the rural areas. I have no hesitation in making the submission to the Postmaster General that I think some of these changes are rather severe.

I should like to ask a few questions regarding the effect of these new postal regulations on the postal workers involved. I am speaking of the men and women who belong to the postal unions and do the distributing and sorting of the mail. I presume that the Postmaster General and his staff have done a great deal of research on this problem. I cannot visualize anyone coming into this house, with all the facts and figures on the circulation of mail, who has not done a great deal of work on how these measures will affect the workers involved.

It appears to me that we cannot have a sharp reduction in mail service without some lay-offs. If one day's delivery is eliminated, as is going to be done in the urban areas, it would seem that some postal workers will have to be discharged from the service. I may be wrong. I should like to ask the Postmaster General to advise this house what the cutback will be, if any, in the total number of postal employees throughout the country. In plain words, are there going to be any postal employees discharged and, if so how many?

I should like to ask the Postmaster General how many man-days will be saved by eliminating the sixth day of delivery service in urban areas? I presume he has this information too. What will be the average saving by the Post Office Department in this regard? May I also ask the Postmaster General what specific measures he has in mind whereby employees of the department will, in five days, do six days' work? Obviously they cannot do in five days the work they have been doing in six days. If staff is to be reduced the seriousness of the problem will be aggravated. What has the minister in mind to maintain services at their present level?

• (2:40 p.m.)

Will workers be forced to speed up their work or will the department hire extra staff to take care of the increased work load? Also, has the minister talked with representatives of the unions about this matter? What is their attitude to the contemplated change in employment conditions?

Yesterday a question was directed to the Postmaster General in regard to bi-weekly newspapers. I did not hear his answer. Looking at the report of yesterday's proceedings I gather that newspapers published twice a week are to lose most of the concessions which were available to weekly papers. It seems to me that in this regard newspapers in the category I have mentioned have been placed in the same category as daily newspapers in that they have lost free mailing privileges, something the dailies did not enjoy but which the smaller weekly newspapers did.

Small, weekly newspapers will be seriously hurt as a result of the increases the minister has announced. Without doubt other questions will be asked. I should appreciate hearing some answers from the Postmaster General to the questions I have asked this afternoon.

Mr. Kierans: Perhaps I might reply to some of the questions which have just been raised. The hon. member asked if we consulted with the officials of the unions. May I remind him that last night I read a telegram from the president of the postal carriers union, Mr. Houle, in which he said he felt happy about the bill. He wished us all speed and congratulated me for it. I might say that that is also the position of Roger Decarie who is the leader of the other union in the Post Office Department. Both men have been consulted and informed about the bill, and they are extremely happy that we are working toward the concept of balancing the budget and charging for the service rendered to the people of Canada.

It was announced some time ago that by working five days a week we expected to save $13 million. We have never contemplated laying anyone off, and neither I nor my officers want to cut back to a five day contract any six day contracts at the expense of our rural mail carriers. Normally, when a worker is asked to work for 40 hours a week instead of 45 hours he takes home the same pay. In any event, we expect to save over $13 million.

The hon. member for Hillsborough and the last speaker asked how it is possible to cut back 1,499 jobs and still not lay anyone off. May I remind hon. members that when you have a staff of 48,000 there is considerable attrition owing to retirement, job changes and so on. Among 32,000 public service employees the attrition rate is about 2,000 employees per year. Also, the jobs of many letter carriers will be redundant. We have instituted a policy of holding down the expansion of positions. We already expand at the rate of 1,100 openings per year and it is hoped to fill jobs which become open with those whose positions are declared redundant. None of this comes into effect, of course, until February 1, so that we have considerable time in which to plan. Taking into consideration normal attrition and the expansion of certain job categories, we feel that full and efficient use will be made of the people affected by this change.

Semi-weekly and tri-weekly newspapers are considered, for our purposes here, as daily newspapers. They have never had prezoning privileges, and in that sense nothing is being taken away from them.

Mr. Yewchuk: Mr. Chairman, I wish to speak on behalf of some who have hardly been mentioned so far, the residents of the north. They live in extreme isolation, keeping in touch with the outside world mainly by newspaper. They have little access to radio or television and often cannot be reached by road. The amenities we in southern Canada take for granted are non-existent for these people. I am speaking particularly of the residents of northern Alberta. Their main link with civilization is by way of a newspaper.

The new rates announced with respect to daily newspapers will mean that the cost of these newspapers will be increased. In some instances newspapers will more than double in price. For example, newspapers which sell yearly for $15 will now cost $35 on a subscription basis. I am referring to one newspaper in particular.

Mr. Kierans: May I ask the hon. member a question? Is he thinking of the Edmonton *Journal*?

Mr. Yewchuk: Yes. Many who live in our isolated northern areas live almost on the poverty line and cannot afford to have the cost of their newspaper doubled. Is it fair to penalize such people, when one considers that newspapers are their main link with civilization?

It is true that many weekly newspapers are published in the north, and many of these will not be affected by the increased rates. But such newspapers do not carry the daily news and daily happenings in the world at large. I submit that special consideration ought to be given to those living in isloated areas.

I submit that periodicals and weekly publications such as religious magazines also ought to be considered. Generally speaking they are non-profit publications. Increasing their postage rates will have an adverse effect. After all, the dissemination of religious news is good for the country and for its inhabitants. An increase in second class mail rates will certainly have an adverse effect on those publications. They are non-profit making. Their publishers also desire the widest possible distribution in order to reach as many people as possible. Some of those who are receiving such publications at the present time may not be willing to increase their payments. This is another case which I believe should receive special consideration. To sum up, I make a plea for special consideration for those living in the north and for those who are receiving religious publications.

• (2:50 p.m.)

Mr. McIntosh: Mr. Chairman, my main reason for speaking on this bill is to protest not only against the proposed increase in the postal rates but against the policy of the department in closing down a large number of rural post offices, particularly in the prairie provinces.

I say "departmental policy" deliberately. I refrained from calling it the minister's policy because I believe the minister is a hostage of his own department and officials. He is a captive of his bureaucrats and he has been sold a bill of goods by them which he has swallowed hook, line and sinker. He is now trying to sell the same bill of goods to the Canadian public. Actually this bill of goods is a red herring to cover the excessive spending of the government over the past several years. The minister has been conned into using his department as a vehicle for replenishing the federal treasury in lieu of a direct tax by the Minister of Finance. In other words, it is being used as a vehicle for the imposition of a hidden tax on the public of Canada.

I was surprised last night to hear some of the remarks made by the Postmaster General. I do not have time to refer to all of them. In my view the most astonishing remark he made is that reported on page 2003 of *Hansard* where we find the minister saying:

> It is my belief that the post office should charge those people for whom it renders service... These are charges to the people who are using the services. They are not like taxes which are imposed and where an individual has no alternative but to pay them.

I would say that an individual has no choice but to pay the tax which the minister is imposing. If the policy advocated by the minister had been followed over the years, I ask, Mr. Chairman, whether the west would ever have been developed. Remote areas have always enjoyed postal service. For the minister to say that everyone who uses the service must pay for it implies discrimination. I believe there has been a change in government policy as announced by the Postmaster General. It has a familiar ring. Not loo long ago the Minister of National Revenue who is also, I believe, in charge of our national parks, made a statement along exactly the

same lines. He intends to increase the charges to Canadians who use the national parks and he said at that time that the people who use the parks should pay for them. How in Heaven's name would our parks ever have been developed if this policy had been adopted by the hon. gentleman's predecessors in this house? I say we are being asked to approve a hidden tax, and the Postmaster General is using this legislation to make the Minister of Finance look good.

I am sure that had the Postmaster General been in this house prior to the last election he would agree with me that spokesmen for the government did not use the same argument in connection with the medicare bill which was being put through. I think it is ridiculous for the Post Office Department to say now that those who use the service should pay for it. If that is right, then why not let the people who use the C.B.C. pay for it? The principle could be followed right down to the old age pensioners. I represent a large area of western Canada where people have been paying for the C.B.C. ever since the service was started to the tune of $20 a year. Yet they are not able to get television service even though it is possible to provide it there. Using the same argument, the people who use the services of the R.C.M.P. might be expected to pay for them. To me, it is a ridiculous argument.

Again, as reported on page 2016 the minister had this to say:

> But try and show that some of the figures or information presented to the house are wrong.

I hope in a few moments to show the minister that some of the information provided to this house by his officials is wrong. I have written proof of this. The hon. gentleman went on to say:

> Try to do so with the help of the tremendous resources which you have behind you and which you have been using to create a considerable delay over the passage of a bill which the people themselves recognize as being timely and appropriate.

The minister was addressing members of the opposition. In other words, he was implying that we have powerful resources behind us, and I assume he meant that the daily press is trying to help us. Very few of the daily newspapers support the party to which I belong. If the minister will recall the last election he will agree that the daily press supported the party to which he belongs. For my part, if I were sure that the charges which the minister is imposing would be absorbed by the daily press I would say: Let them stew in their own juice; they deserve to do so for supporting this government.

[Mr. McIntosh.]

I suggest too that the rural people of Canada do not agree with the minister. They do not recognize these postal increases as being fair and appropriate. In fact, I should like to read to the minister an article which appeared in one of the daily newspapers which he implied were supporting us. By no stretch of the imagination could the Winnipeg *Free Press* be thought of as supporting the Conservative party. This very interesting article appeared in the issue of October 21. It is headed "Mr. Kierans' Statistics" and I think the minister should hear it all. It reads:

• (3:00 p.m.)

> Postmaster General Kierans has been attempting to justify his proposed increases in second class mail rates by statistics which purport to show that this operation of the post office has been heavily subsidized and those who have been using it have been getting the service for much less than it costs to provide it.
>
> Like any statistics, those of Mr. Kierans are open to quesion and interpretation. For example, the post office must carry first class mail and must provide facilities for handling it. The increased personnel and equipment needed to handle second class mail must, by comparison, be relatively slight. From second class mail the post office receives revenue. If this mail were discontinued, the post office would not save much in operating costs and certainly would lose the revenue it now derives from second class mail.
>
> Everyone to his own statistics; Mr. Kierans' could probably be used to show that far from being subsidized, second class mail is paying its own way.

This is one of the reasons that the opposition wanted this bill to go to a committee.

> But if the Postmaster General wishes to insist that there is a subsidy, then it is not a subsidy to newspaper publishers. It is a subsidy for the benefit of readers of newspapers and journals who live in remote parts of Canada. These are the people that a subsidy, if there is one, benefits. They are the ones who will be hurt by increases in mail rates.

The article goes on to give a comparison of the increase in the United States postal rates with the proposed postal increases in Canada. The increase in the United States is about 13 per cent. In Canada the increase varies between 100 per cent and 275 per cent. The minister had better start reading his daily newspapers before he makes another statement that the public recognizes this bill as one which should not be delayed.

The minister stated, as recorded on page 2015 of *Hansard*:

> Although this debate has been drawn out over the last four days, a number of points have emerged of which the Canadian people were not previously aware. One of them is that there have been all sorts of hidden grants made to all sorts of bodies to meet increased costs.

How gullible does he think the Canadian people are? He is trying to convince them that the additional revenue he seeks to raise will be paid by the publishers. Such is not the case. Many of these articles have clearly shown that it is the subscriber who will be the ultimate payer of the increase. As I said before, it is another hidden tax and it is also contributing to inflation.

The policy of the department to close rural post offices under the criteria enunciated by it over the past several years is, I submit, a penny wise and pound foolish policy. It is a poor argument. The minister has been sold a bill of goods and has swallowed it hook, line and sinker. To prove my point I shall refer to two pieces of correspondence I received from his department, one almost a year ago to the day, dated October 16, 1967, and the second one dated October 15, 1968. I may add that these are just two pieces of correspondence out of possibly 30 or 40 that I have received in the same vein. I wish to refer to three statements in the most recent piece of correspondence. The first is:

> Because of changing conditions throughout the country, revenue post offices in many of our smaller communities are no longer required.

One year ago the correspondence I received said:

> I should perhaps first explain that early this year, this department initiated a program to close smaller post offices throughout the country that had outlived their usefulness.

I would like to know how these officials are so all-wise that they know when these post offices have outlived their usefulness, and how they know that these offices in smaller communities are no longer required. Such a statement does not apply to the area I represent. Post offices are required there and have been required for the last 60 years. The situation in ranching country has not changed very much.

I draw attention to another statement contained in the letter that I received this month:

> —one of the basic requirements now governing the establishment of post offices is that there should be a minimum of 30 families.

Let me compare that with the policy the minister has swallowed, the policy enunciated by his department one year ago. In 1967 his department said:

> Our efforts in this regard have been concentrated mainly on offices where the number of householders using the office on a full time basis is below 20—

One year ago they said the criterion was 20. Now they say it is 30. I presume the department has closed all post offices across the country that had less than 20 subscribers but is now jumping the number by 10. Possibly next year it will be increased by 10 again. Eventually it will dispense with rural post offices.

The 1967 letter also said:

> It is not our intention to deprive the patrons concerned of an effective postal service but rather to institute, where possible, a better service than presently in operation or at least one which is equal in all aspects.

That was pretty hard to argue against a year ago. Let us see what they say now:

> The economic situation is therefore such that we cannot justify retaining this office.

They say nothing whatever about service to the people. I should like to give an example of the closing of rural post offices, and I told the minister that I will prove to him that members of this house have received wrong information from his department. This is in regard to the closing of two post offices in one particular area at the same time. It is ranching country. The particular letter reads in part as follows:

> It is an unfortunate fact but this office like many others throughout the country has gradually decreased in usefulness and has now reached the stage where it has outlived the purpose for which it was originally established ... In addition, there are no stores or other business places at Battle Creek and since the residents of the area are travelling regularly to Merryflat in order to do their shopping and conduct other business, they can at the same time conveniently attend to their postal requirements.

I would like to describe at length the fight I had on this matter and the advice that the then postmaster general got from his departmental officials. Hon. members will have noticed that I used the names Battle Creek and Merryflat. The officials said they were going to close the Battle Creek post office because people there had to go to Merryflat to do their shopping and conduct other business. It did not take me very long to point out that Merryflat, where the officials suggested the residents should go for their mail, was an ordinary ranch house. Anyone who gave the minister such information should be fired because he is being paid with Canadian funds and has given the minister wrong information.

I could read another article from the Winnipeg *Free Press*, which supports the minister's party. I do not think it is necessary to do so, but the minister was very annoyed that

one of our members suggested the other night that he was giving false facts to the house. I do not think the statement made by the hon. member on this side was intentional, and I do not think the officials of the minister's department are little tin gods. They can make mistakes the same as anyone else, and the place to find out is in a committee. So said the Winnipeg *Free Press* in an article published on October 20. It said that inasmuch as the government's proposed increases on second class mail do not take effect until 1969, there would appear to be plenty of time for study of this proposal by a parliamentary committee. Why not? Why all the rush?

• (3:10 p.m.)

The Deputy Chairman: Order. I hesitate to interrupt the hon. member but I should like to point out to the hon. member and the members of the committee that the subject of referring the bill to a committee was settled by a vote of the house. I must ask the hon. member, therefore, to restrict his remarks to clause 1.

Mr. McIntosh: All right, Mr. Chairman, but I can still wonder. In respect of the closing of rural post offices I can only say that this shows a lack of understanding on the part of the officials of the department concerning rural needs. The formula which states that there now must be 30 families while a year ago it was 20 families does not take into consideration the needs of the people. I see that the previous postmaster general is giving advice to the present Postmaster General. The present Postmaster General will need more advice than that if he wishes the people to swallow what he intends to do.

I say that the present minister is a captive of his officials and a hostage of his department. The need for postal services in our rural areas is as great today as it is in the urban centres and possibly greater at the present time under the circumstances. The preceding speaker, my friend from northern Alberta, gave some indication of why it is essential that people in the rural areas receive their daily newspapers. Those who live on ranches are isolated. I believe that the officials have been very shortsighted in advancing this policy. On the prairies the people who reside in urban centres—we call them distribution centres but perhaps in the east they are called cities—are there mainly to service the rural areas or those engaged in agriculture. The Postmaster General by his actions is taking away this service.

The present action of the department in closing rural post offices curtails this service and makes it more difficult and more costly for the agriculturalists to operate. When the officials of the department use the revenue factor as their reason for closing rural post offices they fail to take into account the value of the products produced by these ranch and farm operators who undoubtedly contribute more to the federal treasury through taxation and other means than do a like number of urban dwellers in eastern Canada.

To carry the department's economic argument to the extreme, I would ask why this department bothers to service any of the rural areas of Canada where the cost factor per capita, according to the reasoning of the officials, is much greater than it is for servicing urban areas. The cost factor for servicing the Yukon Territory and the Northwest Territories on a per capita basis is much greater than it is for servicing metropolitan Montreal or Toronto. Again using the department's economic argument I ask, why service these two areas?

I say that the Post Office Department is not a revenue producing department. Rather it is a service department and should retain that function. I suggest it was never intended to be a revenue making department but rather a service department for the people of Canada. I suggest further that if this department is intended to be a profit making department the opening up of our western provinces and the north will be curtailed.

I suggest that the first consideration of the department should be the service it gives to the people of the country and not the amount of profit or revenue it can obtain for the federal treasury. The people of Canada want this service and have always paid for the service through direct or indirect means. As I said before, if there is excessive spending in other areas by this extravagant government, the Post Office Department should not be used as an instrument to raise additional funds to offset the uncontrolled spending in other areas. I say that the minister should have second thoughts before he imposes this indirect tax upon the people of Canada because if he does I am sure that in the future he and his party will be sorry.

Mr. Baldwin: Mr. Chairman, I am persuaded by the approving look of hon. gentlemen on the other side to make a very short contribution to this debate. I hope it will be the last one so far as we are concerned. I always wanted to know how to get approval from the

other side and now I know. Because of the initiative of this party which provided the extra hour last night it is our hope that this bill will be passed through its stages today. I hope the government might take this idea into consideration when the situation is ripe.

May I say first of all that the hon. member for Athabasca said some of the things I had intended to say. He now represents part of the constituency I had the honour to represent for many years. There is a problem in that section of the country. The people there do not receive television programs although they do receive some radio programs. They depend on the written word. How can we get to the people of the north information about the misdeeds this government continues to commit unless newspapers are made available all through the north country?

I was very struck by what the minister said about balancing the budget. The Minister of Finance is desperately reaching for that idol. The Prime Minister said that he stands for a balanced budget. I gather this is the hope of the minister in respect of this department. He nods his head.

I should like to quote some authorities whom I will identify in a little while. This is a statement with which the minister probably will take issue:

> Among other things, it is inconceivable that politicians should continue to dread budgetary deficits and that, even when resorting to them, they should continue to pay homage to the sacred cow of a balanced budget.

The minister obviously is paying homage to the sacred cow. His colleagues are doing the same thing. The statement I have quoted appeared in the Montreal *Star* of Thursday, May 14, 1964, under the heading "Manifesto For The Nation." This manifesto was drawn up by a group of French Canadian intellectuals, only one of whom was over 35 years of age. Two of these intellectuals were Mr. Marc Lalonde and Mr. Pierre-Elliott Trudeau. Perhaps the minister has a right to change his mind and now believes that a balanced budget is a sacred cow which should be worshipped.

I should like to direct attention to a little exchange which took place between the minister and me last night. I raise this not only for its importance in this particular issue but because of its importance in the future. As reported at page 2016 of *Hansard* I said the following:

> If we had considered this in committee we would have been finished by now.

The minister replied:

> But nothing would have come out in the committee that we do not already know. All of you have been quoting from every brief that has been made.

Then I rejoined:

> We would have been able to test the accuracy of your statements.

I think the minister appeared to take a little exception to that. I shall not infringe on your ruling, Mr. Chairman. The chairman knows the scrupulous and desperate anxiety with which members of this party defer to his rulings on all occasions while some opposite hang around the fringe and perimeter of illegality.

I should like to put this forward as a conjecture. The house has made a ruling. We are bound by the rules and there can be no question of challenging them. But this is a situation which may recur in the future. I utter these words with this in mind. I say, purely on an objective basis, that if this measure had gone to a committee it would have required only a week of committee hearings in a form that I suggest would have been similar to an examination for discovery. This would have provided an opportunity to test the accuracy of the statements which have been made.

• (3:20 p.m.)

I have every respect for the integrity of the Postmaster General and I have the greatest respect for the integrity and knowledge of the officials of his department. It is a fact, however, that the government was elected as a result of a combination of circumstances. It was elected because of the changes in the Electoral Boundaries Readjustment Act, because of a certain amount of political deceit in respect of budgets, and two or three other intangible factors that I will not go into at this time. However, it happens that the government represents 45 per cent of the people and will be here for another four years. That is a fact of life. We are going to be here for four years as well, and if we are to do the things that should be done we must get along and co-operate. We do not have to accept everything the government asks for and the government does not have to accept everything we suggest. If good legislation were proposed, even by the devil himself, and I think he sits in different forms on the other side, we would approve it and expedite its passage. We would see that it was passed as quickly as possible. However, we must know the facts.

I had the honour to be the chairman of the public accounts committee some years ago when Mr. Wilson was the deputy postmaster general. He appeared before that committee and gave an excellent exposition of the facts. At that time we dealt with this particular subject. We questioned him for several hours during which he went into statistics dealing with first, second, third and other classes of mail. I think he convinced the members of that committee of those facts, and this was reflected in the report which was filed and became part of the records of this house. Mr. Wilson in effect said that from time immemorial the policy of the Post Office Department regarding first, second, third and other types of mail had been such and such. He dealt with the question of subsidies, which the minister has now refined. He calls it a subsidy and we accept that, but we refer to it as indirect taxation.

In any event, when a custom is changed it has been traditional to grant an opportunity to be heard to those people who will be affected. In other words, they should have their day in court to make their views known. The minister has said he has received briefs. We have all received briefs and representations. I like to challenge a man who has made a statement by asking him to give the basis on which he has made the statement.

I read the Glassco commission report regarding the post office. That commission gave high marks to the Post Office Department in respect of its method of selecting statistics in relation to costing. That commission had some doubts about the entire situation and these doubts were expressed in that report. The report suggested that this whole question should have been more carefully studied and that it might have been possible to obtain more precise information. If I remember correctly the report suggested this in respect of second class mail.

The hon. member for Calgary North related this matter to railway costing. In parts of North America railway experts are deeply involved in costing techniques. They are trying to decide how to allocate costs as between main and branch lines and different types of services. This is precisely the same problem which faces the Post Office Department and which it is, within the limits of its capacity, attempting to solve. This department is trying to allocate costs in relation to first, second, and third class mail. I think it has done a pretty good job, but I would like the opportunity, as would many other members on this side, of asking these officials about the techniques they use.

Are the techniques used by the Post Office Department of a similar nature to those used in other parts of the world or are they better? These are the things we would like to find out. It might well be that we would come away from the committee hearings quite satisfied with the methods used by the department in working out these costing statistics. That being the case we would then be faced only with a simple issue, namely, is the government right in changing these long-standing practices and introducing other practices?

Let me say as convincingly as I can that if this procedure had been followed this debate would have been concluded a week ago, the farm bills would have been passed, and we would now be deeply engaged in the budget debate. There are areas where it is essential that we conduct an inquisition in the form of a question and answer session. Certain things cannot be accomplished in any other way.

It is my suggestion that if the principle I have attempted to outline were adopted on both sides of the house the business of the government would be expedited. Let me leave the matter at that point. I think everything else has been said which could usefully be said during this debate. I did want to put those remarks on the record before the conclusion of this debate.

Mr. Kierans: Mr. Chairman, I think there is one other speaker. Following him I should like to conclude this debate.

Mr. Thomson (Battleford-Kindersley): I should like to ask a question for the purpose of clarification. I understood the Postmaster General to say that bi-weekly and tri-weekly newspapers have always been classed as dailies. I just phoned Mr. Irwin McIntosh, the president of the Canadian Weekly Newspaper Association, and this is not his understanding. He thought the decision was made on the basis of content rather than the number of times each week a newspaper was published. I should like the minister to clear up this point. Are the daily newspapers facing a 400 per cent increase in rates?

Mr. Kierans: What I said in connection with bi-weeklies and tri-weeklies is that they have never had pre-zoning privileges and therefore these privileges were not being taken away. For purposes of definition we are in a sense classing newspapers which are published more than once a week as daily

newspapers. This fact can be found in another clause of the bill.

The general newspaper class, as hon. members will realize, is now paying about 30 per cent of the cost and will, after the passage of this measure, be paying 80 per cent. This is an increase of about 166⅔ per cent or 170 per cent, but not 400 per cent.

Some remarks were made in connection with the north, particularly in relation to the Edmonton *Journal*. Let me point out that the total circulation of the Edmonton *Journal* is 134,000. In the year 1967-68 10,000 copies daily were delivered by mail. The actual cost to us was $204,763, of which we recovered $89,000.

• (3:30 p.m.)

Let me point out something else in respect of the Edmonton *Journal*. It receives one service that is being maintained rather than discontinued. As the hon. member knows, the Post Office Department has been flying these copies to the north at no extra charge. This is a service we will continue in the interests of the people of the north. We are not cutting down this service in any way at all. I have here a study with respect to the rural routes. Every time we close a post office or a sub post office, we do it only when we can provide a better service, and that is a rural route, which is a post office on wheels. In other words, we may close down—I am thinking of an example in the eastern provinces—three out of four small post offices and we add 2.8 miles to a rural route, where everybody gets service right to his door. The people are extremely happy about this. Why are we doing this? I have here the figures that have come to us as a result of this study: 2,430 of these post offices have an annual revenue of less than $445 a year.

I am not the one who makes the judgment, Mr. Chairman. It is the people who use a post office of that nature who make the judgment. All they buy in a year is $445 worth of stamps. The actual cost of the post office may vary anywhere from $1,100 to $1,200 or $3,000. But when we do close it down, we provide an alternative service, a better service, and in nine cases out of ten the people are extremely satisfied.

Mr. McIntosh: Mr. Chairman, would the minister allow a question at this time?

Mr. Kierans: No; I think you have had your say.

Mr. McIntosh: The minister has just made a statement which I do not think is correct. He said that wherever they close down a post office—

The Chairman: Order, please.

Mr. McIntosh: All right; I will ask the question later.

The Chairman: The Postmaster General has the right to answer a question if he wishes to do so, but if he wants to continue he should be allowed to do so.

Mr. Kierans: If the hon. member wants to ask a question, fair enough.

Mr. McIntosh: That is what I said in the first place. The Postmaster General just made a statement in which he said it is the policy of his department, whenever they close down a post office in rural Canada—I believe he said eastern Canada, but I assume he meant all of Canada, or he wanted the Canadian public to believe that he meant all of Canada—they would provide a rural route. That is not correct. The minister should ask his officials about this, and he would find that what he said is not correct. In the southern part of my constituency, the southwestern part of my constituency, the southwestern corner of Saskatchewan, where there are many ranchers, the Postmaster General does not give them rural route delivery service.

Mr. Kierans: Wherever this is feasible.

Mr. McIntosh: It is feasible there.

Mr. Kierans: Let me answer the question. We had in Alberta a post office, and the 15 families of the area sent me a letter. They are along the United States border and they wanted this service maintained. When I examined the costs of this post office I found they were in excess of $1,200 or $1,300. The actual use those 15 families had made of that post office was exactly $82 in an entire year.

Mr. McIntosh: You have the wrong principle.

Mr. Kierans: The wrong province, but it is all part of Canada.

Mr. McIntosh: The wrong principle, I said.

Mr. Kierans: This was decided, yes. Hon. members keep referring to this question and saying that if this measure had gone before a committee—your predecessor, Mr. Chairman, said this was out of order—the matter would have been settled a week ago. It was settled

yesterday afternoon, but it was also settled for me this morning when I heard the right hon. member for Prince Albert say that he wanted something taken out of committee. The right hon. member was referring to the committee dealing with the Biafra situation. He did not want it in the committee; he wanted it discussed here in this house because this is the supreme parliament. I am in complete accord with the right hon. member for Prince Albert.

Some hon. Members: Hear, hear.

Mr. Baldwin: Mr. Chairman, does the minister not realize that any committee report must come back to this house and must be decided upon by this supreme parliament?

Mr. Olson: Tell your colleagues so they will know, too.

Mr. Yewchuk: I wanted to clarify a point, Mr. Chairman. In the comments I made to the Postmaster General and hon. members of the house I was not complaining that the service had been cut down; I was complaining that when the new rates go into effect a newspaper will cost a resident of the north more than twice as much as it does now. My question was whether the Postmaster General would give special consideration to this group of people.

Mr. Kierans: Mr. Chairman, I think the question is very debatable. It is: Who is being subsidized here: Is it the person who buys a subscription to a newspaper, or is it the advertiser? The Edmonton *Journal* charges the people who live in Edmonton $31.20 a year for buying that newspaper at the newsstand. They sell 135,000 out of their 145,000 copies on this basis. They charge people living outside their immediate delivery area—that is the other 10,353 subscribers—not $31.20 but $15. Why have they done this? They have done it because they have not had to pay the 2 per cent to the news vendor or the two cents per copy to the post office. They have paid us one third of a cent and one quarter of a cent. But our people, through rain, hail, sleet, snow and all weather conditions, deliver this newspaper on 312 or 315 days of the year. These people want to be paid, and all we are asking is the minimum 2 cents a copy, which is exactly what the Edmonton *Journal* gives to the people who sell the paper on a commission basis.

Our people refuse to subsidize this kind of activity any further, and I do not think the people of Canada expect this subsidy to be borne by the 28,000 or 32,000 people who work among the 48,000 member family of the post office. I do not think the people of Canada expect this subsidy to be borne by those groups. If they wanted to pass on the whole increase, they would have to put up the subscription by $17.39. This would bring it up to $32.39. But people living throughout the north will get the newspaper delivered to them by aeroplane. There is a little additional cost involved in that.

I am not telling the proprietors of the Edmonton *Journal* how to run their business, but I imagine their decision will be something like this, "We will pass part of it on to the subscribers; maybe $5, maybe $10." It is still less than the normal price. Then they will say, "We will increase our advertising rates, because we want to keep these people on our circulation list." That is the whole basis of the exercise, so they can charge the kind of advertising rates to cover their circulation, but it will not all be passed on.

Mr. Aiken: Mr. Chairman, I want to ask the minister a very brief question. I might say, by way of explanation, that he stated that a number of rural post offices had been closed because the residents of the area were not using them and the revenue was very small. I know for a fact that many small post offices that have been closed in my area, particularly summer post offices, were used very extensively by the public; but the public brought the postage stamps with them from the city, from Toronto, Hamilton, or whatever city they came from, they received their mail at these post offices and mailed their letters from them, but in fact the record of the use of the post offices is not there. This is one of the complaints I have had in connection with the method of determining whether a post office is sufficiently used. I would like to ask the Postmaster General whether a check of incoming mail is made before a small post office is closed, in order to determine whether the post office is actually being used.

Mr. Kierans: In answer to the last question, yes, this is done. We make special arrangements by keeping post offices open during the summer months. With regard to the rest of the question, these people can always mail their letters. There are perfect facilities anyway, even if the post office or local revenue office is closed for receiving and mailing. Our way of judging this is by the number of people who use it to buy stamps, to send parcels or do whatever may be required.

• (3:40 p.m.)

Mr. Aiken: What happens if they do not buy stamps?

Mr. Kierans: They do not use the post office.

Mr. Aiken: Certainly they use the post office to drop letters into the mail box.

Mr. Kierans: The box will stay there.

Mr. Aiken: I do not accept that argument. What I am trying to say, in a reasonable way, is that many of the summer post offices are used for mailing and receiving letters. People do not necessarily buy their stamps because sometimes they bring them with them. It is unfair to judge the use of a post office by the number of stamps bought and the number of money orders made. The minister gave his answer and I will not pursue this any further, but I want to point out to him that in several of the cases brought to my attention, in which there has been a reversal of the policy and a post office was closed, it has been found, on looking into the matter further, that in fact the post office had been used, but that this did not show up in the sale of stamps.

Mr. Yewchuk: Mr. Chairman, I should like to make a few more comments. I appreciate the Postmaster General's conjecture that the *Journal* would probably raise its rates by only $5, and I recognize this is a possibility. I also want to point out that the service is provided in many isolated areas in my constituency by aeroplane, which comes in every two weeks or once a month. I can imagine what it would be like to get one month's issue of the *Journal*, and the price which the *Journal* has quoted me is $35 a year, rather than $20. People in the north would then be paying more for old papers than people living in large urban areas would pay for daily newspapers.

Mr. McIntosh: I asked the minister a question to which I did not receive an answer. My inquiry was as to the criteria upon which the minister or his departmental officials determine that a post office has outlived its usefulness, and the purpose for which it was originally established.

Mr. Kierans: By the use that the local patrons make of that particular unit.

Mr. McIntosh: I wonder if the minister has also taken into consideration, in his economic argument or that of his officials, the amount of revenue derived from the taxation of the people employed in ranching and farming in those areas, or does he only consider the direct revenue derived from the post office? If this is so, how do we serve the people on the ranches and the farms in the remote rural areas in western Canada? I say again that this is a penny wise and pound foolish policy which will bring disaster to the Canadian people.

Mr. Skoberg: I will deal specifically with clause 1 concerning the filling of vacancies in the post offices and the letting of contracts. Everyone realizes that the public generally believes that the Post Office Department is filled with people who have obtained their positions through political patronage. I believe that recently there may have been some change in that practice and I should like to know whether or not the Postmaster General would give us his views regarding some of the changes in the policies of his department.

Mr. Kierans: This is all under review, Mr. Chairman.

Mr. Skoberg: Am I correct in understanding from the minister's remark that there is still political patronage in the Post Office Department?

An hon. Member: You know better than that.

Mr. Korchinski: I will be very brief, Mr. Chairman. Now that the minister indicated that consideration will be given with regard to the setting up of post offices, and as to the amount of revenue which they may bring in, and now that he has the former postmaster general right beside him, I wonder if he could look over some of the records to see how many post offices have been established in areas where the revenue is small, as compared with the number that have much larger revenues. What was the consideration in setting up the former. I wish he would do that in view of the fact that he said he would scrutinize the costs very closely. I can refer him to several cases with which I am familiar, which have come up last year, and regarding which I had considerable correspondence with the former postmaster general and officials of other departments. I asked for the reason for constructing post offices in areas which bring small revenue and where expenses are greater.

There does not seem to be any fairness in the administration. Without opening a whole can of worms I should like to point out to the

minister that if he is going to scrutinize the cost he should look into correspondence with the former postmaster general.

Mr. Kierans: I will, Mr. Chairman.

Mr. Orlikow: I should like to direct one question to the minister. He has told us that the reduction from the six day to the five day service will not mean a great reduction in staff because in the period of a year, with the normal attrition and with the large staff the department has—I think the minister spoke of 48,000 employees—this could be handled. I do not have the figures with me, although I am sure we can get them by the time we deal with the minister's estimates, but I am given to understand that in some of the larger post offices, such as in Montreal, Toronto, Winnipeg and Vancouver, to mention just a few, there has been consistently and, I can say, regularly a very large number of temporary employees who are not included in the complement of 48,000. Can the minister tell us what is the average number of extra employees in the course of the year, and how many of them who have been working almost continuously will be laid off under the proposed legislation?

Mr. Kierans: We have a great number of continuous casual employees in peak periods, such as around Christmas time. I think we will continue to need them for the special services which they can render us at particular times. There is nothing more that I can say about this.

Mr. Orlikow: Is the minister saying that he cannot tell us how many of them there are? Let us forget about the Christmas period. Are there 3,000, 5,000 or 8,000 who work more or less regularly, and will these people be laid off as a result of the reduction in service?

Mr. Kierans: I have said no. The casual people whom we hire around Christmas time, and at other times, are just part-time or seasonal employees and they do not figure in the numbers which the hon. member for Winnipeg North and I are discussing. As I tried to explain, no one is going to be laid off, because we would normally expand by 1,100 people by next year and we will probably lose about 2,000 next year. So it is easy to move the 1,499 employees into the positions that have become open with the planning which we do in the department.

Mr. Orlikow: The minister does not get the point I am making. Today is October 25: How many casual employees are working in the Post Office Department in Canada on this day? Is it 1,000, 2,000 or 5,000?

Mr. Kierans: As the hon. member realizes, not even the senior officers in the department could give him an exact number because it varies from day to day, depending on the work load. But I would think there are about 2,000 people normally involved in the kind of position which we call casual.

Mr. Skoberg: One of the questions which among others I put to the Postmaster General the other day concerned the decentralization of post office facilities. I wonder whether or not the Postmaster General at this time believes in the complete decentralization of all post office facilities for the sorting of mail. Does he consider that decentralization is in the interest of the country as a whole, and what is his view regarding congestion in this area?

Mr. Kierans: This is probably one of the major problems being presently considered by the task forces, one of which is inside the department and is headed by the former deputy minister whose long experience of 40 years gives him a practical knowledge of the problems, and the other being an outside task force. They will consider how far we should go in decentralizing the services.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Rates on letters.*

• (3:50 p.m.)

Mr. Macquarrie: Of course, Mr. Chairman, this is one of the crunch items in the bill. I doubt if after all the points we have made from this side, without too much avail but with great sincerity, there are many items in this long bill on which we will take a controversial stand. What has irked people about this measure, apart from the differentiation in respect of newspapers, has been this question of increased cost to patrons of the postal service at the very time when there was a decrease in service. This has been the basis of our opposition.

We have never adopted the point of view that there should be no increase in rates. In the light of the dismal figures that have been presented to us, this would be a preposterous attitude to take. We are not satisfied, however, with the combination of the dimunition of service and the rather significant increase in rates.

Now we have made our case. We have said that the inadequacy of the committee of the whole for the examination of this measure was clear. A combination of parties in this house representing 53.1 per cent of the voters of Canada has indicated the belief that this very important matter, in the light of the great protests, should have been examined by a committee. This has been denied us. We have to accept the massive vote of those who represent 45.2 per cent of the voters of Canada. We recognize we will have difficulty in dealing in this particular forum with this measure in the way we think it should be dealt with.

I have noticed in recent weeks, since this postal matter has come to the fore, not only a great deal of correspondence but a type of representation which has disturbed me, and which should impress the Postmaster General and concern him. There are suggestions from many parts of the country that the type of service being rendered by the Canadian post office is questionable. The other day I had a letter from a Boston relative—every maritimer has a relative in Boston—that he had received a postcard mailed from the Cabot trail when he was on a summer visit. This was not too bad: But it was the summer of 1966 that he had been on this visit.

Similarly, some extremely important and attractive material was sent out from a certain political headquarters under second class mail on October 11. It arrived in Vancouver on the 19th, 20th, 21st and 22nd. One thousand of these same attractive and important items were sent under first class mail on October 11 as well, but did not reach Vancouver until the 21st. I would not call that "all up" at all; I would say that was "all down". I hear from the people in various post offices that there is a little anxiety. Then, of course, although the minister was quite unperturbed about it, I have heard from many places that the flood of mail arriving in order to beat the minister's deadline has in fact caused delays.

Unfortunately we have reached the stage, unless someone invites protraction of the debate, where there is no need for protracted discussion of this bill. If an invitation is issued implicitly, then we will be prepared to accept it. I should like to say I am sorry that the government house leader found it necessary last night to use the expression "filibuster". This is not the kind of thing that makes for good parliamentary operations. We have had this matter before us for five days. On one of those days we had only one an hour and twenty minutes to discuss it. On another, we had a little over two hours.

This is a very important matter which affects every single Canadian. Some of these people do not know today how much they are going to have to pay. They are working under forced draft. We have a deadline here which, as I said before, is presumptuous. After certain changes were announced, we have had further changes. I do not know that the minister has assured us what kind of service we are going to get from this semi-Saturday business. I represent a constituency that is three quarters urban and one quarter rural. About one quarter of my people will get mail on Saturday, while the other three quarters will not. A great many of these people live in suburban areas but work in the city. They live in a sort of rural area, so I suppose some people will get mail on Saturday while others will not get mail until Monday. At the same time, their place of interest and their place of work is, in fact, an urban area.

We have been upset by the fact that all arguments from the press, and from the learned journals, have been turned aside. We have to face the fact sadly that, while we believe we represent in this instance a majority of the people, because of the realities of the parliamentary system our point of view is not going to prevail. I should like to say, very simply and very briefly, that in the light of the decreased service, the imposition of increased rates at this time is not a good thing. I should like to say that the minister's approach to this problem is highly improper. His lack of sensitivity and concern for the feelings of the people in many areas, as well as his imperturbability, will create a great many problems for the Post Office Department in the months ahead. We have warned him, we have told him of public reaction. It is incumbent upon him to listen or not to listen. If we are not as loquacious in our arguments as we could be, even if we are a minority in this house, this is not to be construed for one moment as any weakening of our opposition to this most unpopular, this unnecessary measure.

Clause agreed to.

On clause 4—*Canadian newspapers and periodicals.*

Mr. Kierans: In so far as clause 4 is concerned, Mr. Chairman, we have taken account of the many statements made in this house by members on all sides and have accepted also the fact that the changes suggested in the

second class mail rates or the subsidy to the publishing industry have resulted in a tremendous increase. I should like to emphasize, however, that when you recover a relatively small proportion of your costs, a normal increase in rates is obviously not going to keep pace with a normal increase in your costs which would be, in some cases, as much as ten times as high. Therefore, having taken account of these various changes I will ask a colleague of mine to move an amendment with respect to paragraphs (a), (b) and (c) of subclause (2) on page 4 of the bill.

• (4:00 p.m.)

Mr. McIlraith: In accordance with the remarks of the Postmaster General I desire to move that we strike out subparagraphs (a), (b) and (c) of subclause (2) on page 4 of the bill. Accordingly I move:

That Bill C-116, An Act to amend the Post Office Act, be amended by striking out lines 24 to 34 on page 4 thereof and substituting therefor the following:

(a) on a daily Canadian newspaper,

(i) for the portion thereof not devoted to advertising, four cents a pound during the period commencing April 1, 1969 and ending September 30, 1969, four and one-half cents a pound during the period commencing October 1, 1969 and ending March 31, 1970, and five cents a pound thereafter; and

(ii) for the portion thereof devoted to advertising, nine cents a pound during the period commencing April 1, 1969 and ending September 30, 1969, twelve cents a pound during the period commencing October 1, 1969 and ending March 31, 1970, and fifteen cents a pound thereafter;

(b) on a weekly Canadian newspaper, four cents a pound during the period commencing April 1, 1969 and ending September 30, 1969, four and one-half cents a pound during the period commencing October 1, 1969 and ending March 31, 1970 and five cents a pound thereafter; and

(c) on all other Canadian newspapers and Canadian periodicals, four cents a pound during the period commencing April 1, 1969 and ending September 30, 1969, four and one-half cents a pound during the period commencing October 1, 1969 and ending March 31, 1970 and five cents a pound thereafter.

The hon. member for Gaspé seconds the motion.

Mr. Woolliams: Mr. Chairman, does this mean that the increase in expenses has been spread over one year?

Mr. Kierans: The bill does not come into effect until February 1. The newspapers knew about the changes. From the beginning of this month they will have 18 months in which to act. I can tell hon. members that some newspapers have written to their subscribers advising them not to take out subscriptions for more than three years until everything becomes clarified.

Mr. Woolliams: In view of the minister's statement last evening about farm newspapers, and particularly in view of his answer to do with the advisability of bringing this matter before a standing committee for further investigation, I think it is proper for me to read the following extract from an editorial in the Winnipeg *Free Press*:

Publishers of the *Free Press Weekly*, Canada's leading farm weekly, denied entirely the statement of Postmaster General Kierans that his department is heavily subsidizing their publication.

This has to do with farm papers.

Mr. Kierans' statement is 'Quite irresponsible and utterly misleading'—

That is not my statement. It appears in the Winnipeg *Free Press*, according to the publishers.

Mr. Kierans does not explain how he arrives at this conclusion—

That is why we are asking that this matter be referred to a committee so that it can be looked into.

—or what arithmetic he employs to substantiate such a ridiculous charge. To say that his department is out of pocket by a million and a half dollars each year by delivering the weekly paper through the government monopoly on mail service is quite inaccurate. If the post office is out of pocket on this account it is nothing like the figure Mr. Kierans claims.

Last year the *Free Press Weekly* paid the post office $112,000 for postage. If the paper ceased publication as the *Family Herald* and many other farm papers have been forced to do in recent years, it could only result in a further loss of revenue to the post office.

Mr. Kierans in arriving at his conclusion does not explain what he charges up against these expenses.

We don't know. Nobody knows.

Similarly according to figures released by Mr. Kierans' department he tries to argue that it costs his department more to deliver a farm paper in rural areas than it does to distribute national magazines in city areas, where large organizations of sub post offices and extensive letter carrier staffs are involved.

Mr. Kierans is well aware but failed to state that all remaining farm papers in Canada including the *Free Press Weekly* operated at a loss last year.

This serious situation in Canada is largely due to the heavy loss of advertising revenue to the broadcast industry in recent years,—

The minister has not taken this aspect into consideration in this bill.

—which this government year after year subsidizes to the tune of well over a hundred million dollars.

When the government talks of the need to hold down prices and wages, it is hard to understand

how they can justify such an enormous increase of 300% in their charges and which will have to be borne by farmers all across Canada.

Would the minister mind commenting on the position taken by one of the leading weekly farm newspapers of western Canada? I am sure the other western weekly farm newspapers will go along with the position that has just been outlined. Also, would the minister mind commenting about the *Western Producer*, a newspaper which has been financed by the Saskatchewan wheat pool for a number of years. How has the minister arrived at his figures? The newspaper people want to know that. They want to come before a committee and hear the facts.

Mr. Kierans: Several weeks ago one of the editors of one of the weeklies came down to see me and I explained in great detail that we did not consider second class mail a marginal operation, as the *Free Press Weekly* and other newspapers seem to suggest.

The newspapers say that we, the post office, are calling at private homes anyway, and delivering first class mail, so why not deliver the weekly or daily newspaper at the same time. It is not an extra charge, since the postman is going to the home anyway.

That is not the way we made our cost analysis. We have marginal operations in the post office but they do not come under first class, second class, third class or fourth class mail. Marginal operations come under selling postal money orders or running a postal savings bank. These operations are marginal to the business of transporting mail.

The *Free Press Weekly* and other associated newspapers in the *Free Press Weekly* publications chain may suggest that it costs us nothing to carry a paper, but I suggest to the hon. member that he take a look inside a postal carrier's bag. The carrier may have 100 first class letters in the corner of the bag, the rest of the bag being taken up with *Free Press Weekly* publications.

Actually, I think P.S. Ross and Partners, and others who pursued the subject, were too kind to the publishers who used the second class mails. Consider a newspaper like the Toronto *Star*. We send it to Vancouver for one third of 1 cent, and the Toronto *Star* may weigh as much as 2 pounds. At the same time it costs 5 cents to send a first class letter the same distance. When hon. members suggest these facts have no bearing on our overhead I say that the entire sorting process inside the post office must be considered. For one thing, there is a difference in the way that letters and newspapers must be handled. A great volume of letters can be handled in a relatively confined space; but newspapers you must spread out horizontally. This takes up a great deal of room, and many more people are required to deal with them and to carry them.

In my view the figures which have been quoted are not unjust. They confirm what has been found in studies. I said in the house last night that the *Free Press Weekly* paid us $112,000 in postage last year. I say again that it cost the post office $1,623,000 to deliver 22 million copies of the *Free Press Weekly* through heat, snow, slush, rain and what have you. For that we were paid $112,000 from the *Free Press Weekly*.

Mr. Woolliams: Did the minister work out his figures on a pro rata weight basis?

Mr. Kierans: No, it was on a per item basis. We considered a first class letter and a second class newspaper as an item.

• (4:10 p.m.)

Mr. Woolliams: In other words, it was not on a weight basis. Then the argument about a letter taking an inch of the bag and a newspaper taking 20 inches does not hold water.

Mr. Kierans: What I wanted to say is that a post office bag with a thousand letters in it is worth $60 to me. A post office bag with 100 newspapers in it would be worth 60 cents.

Mr. Woolliams: Would the minister explain this to me: the government is subsidizing the C.B.C. to the extent of about $145 million a year. In this connection we have heard all the arguments about safeguarding Canadian culture. If it is proper in the one case to provide this bonus, why is there such reluctance to do so in the case of the weekly and daily newspapers? Can the minister put forward any logical argument, because the position he is now taking savours of discrimination?

Mr. Kierans: The hon. member may have provided an excellent argument for reducing the deficit of the C.B.C. but not one for maintaining the deficit of the Post Office Department, which is my responsibility.

Some hon. Members: Hear, hear.

Mr. Woolliams: Then I assume that when the estimates of the C.B.C. come forward the Postmaster General will stand up and say: I fought the cabinet in connection with these

estimates, and if I do not get the C.B.C. estimate reduced, as a responsible minister of the Crown, I will resign.

Mr. Lambert (Edmonton West): I noticed on reading the minister's comments last night that he did not take too kindly to one of the points I made earlier in this debate. I want to say that I have not changed my position by one iota. The fact that a table is provided for our use is no proof of the truth of what is contained in that table. I maintain that, not only in connection with this department but in connection with other departments, we have a right to examine the criteria upon which estimates of revenue and cost are based. We have a right to question these things because, after all, as I have indicated, the burden is on the minister to prove, not on the opposition to disprove.

I want to hear why small newspapers outside the exempted class should have to carry the full weight of the increase in the cost of transporting them, especially when they ordinarily do not have any important volume of carrier sales or street sales. Take the average newspaper in a city; only a relatively small proportion of its circulation is carried by the post office, and in future these papers can spread their increased postal costs over the whole of their operation.

Newspapers such as the church press are in a different position. They cannot cushion the effect of this proposed increase. The whole of their circulation is handled by the minister's department, and the effect of the increase will be subscription rates out of this world. I do not know what the minister's answer will be. If he tells us that the church press must absorb the total cost of the new rate in the same way as a daily newspaper in one of our major cities, a paper which carries hundreds of thousands of inches of lucrative advertising per month, I can only reply that this represents a great disparity in treatment.

Since we are faced with a time element I shall touch only briefly on one particular question I raised the other night having to do with the reduction of mail service in urban areas, and the effect which can be expected on certain people who seek to meet legal obligations. I refer for example to the immigration regulations, or to the white paper on anti-dumping and the draft bill dealing with that subject—and the minister was one of those who approved it.

If the minister would look at these measures he would see there are provisions by which the period allowed for appeal to parties interested runs from the date a decision is made. Now comes the question of communications—communication by mail. As the result of the minister's proposals, those who live in cities will lose three or four days as compared with those who live outside. I do not understand how the minister can discriminate in a way which affects legal rights—and these are legal rights. At an appropriate time before the passage of this bill I should like to have the minister's answer on this point.

Mr. Kierans: My department has already been in consultation with other departments, for example with the Department of National Health and Welfare, to make sure that city dwellers are not harmed in any way by, for instance, the late arrival of welfare cheques which might arrive on a Saturday, when there would be no city delivery. We hope they can be mailed a day or two earlier to make sure they arrive on a Wednesday, Thursday or Friday. I am grateful to the hon. member for having brought this aspect to my attention. My officials have already taken note of the point he has made. We shall certainly contact the department of immigration to ascertain just what are the difficulties outlined by the hon. gentleman, and what we can do to offset them.

Mr. Lambert (Edmonton West): The minister will need to get in touch with virtually every department, because there are any number of regulations containing provisions similar to that which I have described, provisions which are "made in Ottawa" with no consideration for the rest of the country. This is a consequence of the bureaucratic mind at work.

Mr. Kierans: We shall do something about it.

Mr. Lambert (Edmonton West): Let us mitigate the effect and not add to it by the type of action the minister proposes to take.

Mr. Kierans: Agreed.

Mr. Orlikow: I wish to comment briefly on a question I raised yesterday, one which I believe to be important—and I do not intend to blame this minister for mistakes committed by some of his predecessors and colleagues, in days before he came to the house. I refer in particular to the tremendous injustice to the Canadian publishing industry which was done by the fancy footwork which permitted

Time and *Reader's Digest* to be classified as Canadian magazines. I suppose it is impossible to retrieve directly, what we let go. At the same time, after we approved the increase in rates which the minister is proposing, we shall be subsidizing the distribution of *Reader's Digest* to the extent of $800,000 a year, and we will be subsidizing the distribution of *Time* magazine to the extent of $721,000 a year. As I pointed out to the minister yesterday, that is $1½ million, precisely the amount the minister says he is not prepared to provide as a subsidy to the Sifton interests. I may say in parenthesis that I am not intervening on the side of Brigadier Malone, the publisher of the Winnipeg *Free Press,* to say the minister is wrong.

• (4:20 p.m.)

I recognize the difficulty that the minister is facing. He said, with some justification, that he cannot name certain magazines. You cannot increase the rates for *Time* and *Reader's Digest* without increasing the rates for all magazines, and if that were done many, if not most of the magazines with small circulation would go out of business. However, I notice that the minister and his department have been able to make regulations and rules distinguishing between groups of publications. There are daily newspapers which are distributed mainly by carrier boys, with some distribution by mail, and there are weekly newspapers which have less than 10,000 circulation, and so on. There are different rates for these.

I wish to make a suggestion to the minister. I am not going to move it in the form of an amendment because my colleague, the hon. member for Winnipeg North Centre, who is much more expert than I on what is permitted under the rules, has told me that if I tried to move this as a private member, the amendment would be out of order. However, I suggest that the minister change the regulations to provide that his proposed rates apply as scheduled, except in the case of weekly magazines having a circulation of more than 200,000 and monthly magazines having a circulation of more than 800,000. I suggest that these should pay twice the scale of the new rates.

If the minister were to accept this suggestion, then the only magazines which would pay the increased rates would be those which are making substantial amounts of money. I do not intend to name them, although I do not think this would be wrong. For example, if *Maclean's* climbed to the point where it had a circulation of more than 800,000 it would have to pay the double rate, I suggest. By this method the minister could save the taxpayers half of the $1½ million which we will use to subsidize what I consider to be American publications. What does the minister think about this suggestion?

Mr. Kierans: I think it is a very ingenious suggestion, but happily we do not have to reach any decision today.

Mr. Macquarrie: Before the vote is called on the amendment I wish to say I am impressed by the last remark of the minister. This part of the measure is to go into effect on April 1 next. It therefore seems strange that we are faced with an amendment, the effect of which we cannot sort out, and time is not afforded for careful consideration of it in consultation with the people involved. I do not know what these changes will do to Canadian newspapers both small and large.

I welcome the amendment as an improvement; but I am reminded of the fable of the farmer who would not cut off his dog's tail: He did it a bit at a time because he was a gentle man. This is an amelioration, but I would like to refer it to the people involved, the publishers of newspapers, who will have to decide what this will mean as an increase to their subscribers. I underscore that point again because that is where it will all end. It will not end on the desks of the very well off publishers, whose names have been bandied around today. It will end with the people who read newspapers.

As I say, the amendment is an improvement, but this whole clause is an elaborate one. It requires far more consideration than we are able to give it here, and I am wondering if it has been given all the consideration that the minister should give it. He stands steadfastly by his statistics, but I notice an item in his white paper in the footnote to statement No. 11, which says:

> It is not possible to anticipate accurately the real impact of the proposed legislation on second class mail volumes and the profitability of the service.

Of course it is not possible. Now we have some changes that we must consider. I wonder if the minister will tell us whether he has any other amendments to move. Has he reached a different decision with respect to the learned journals, with respect to the Queen's *Quarterly*, the Dalhousie *Review*, and the other publications described in clause 11(1)(o)?

Mr. Kierans: We are making no other changes and proposing no further amendments. With respect to some of the learned journals in which my hon. friend, myself and other people are interested, we will simply be prepared, and indeed be proud and pleased to pay an additional small amount for the particular journals in which we are interested. I thank my hon. friend for his kind remarks saying that the amendment is an improvement. I hope it will be adopted.

Mr. Harding: How often does the international postal agreement come up for review?

Mr. Kierans: Every five years.

Mr. Harding: I notice that while the United States sends over 69 million pieces of mail, of various periodicals to this country, Canada exports just over 17 million. There is a deficit of some 52 million pieces, which means a loss to Canada of $3½ million. I think this is a field which the department should review. It seems to me that we are subsidizing many American periodicals which are in direct competition with Canadian publications. Again I ask, when do these international postal agreements come up for review?

Mr. Kierans: They come up every five years. The Post Office Department, representing the government of Canada, has made strenuous representations to the executive of the International Postal Union that some relief be given, particularly in the area of second class mail where there is an unfavourable imbalance. The next meeting at which this report will be presented will be in the fall of 1969 in Tokyo, and we hope we can make our views prevail. We hope to try to recover this $3½ million.

I might say that the total flow is about $6 million, and we recover about $2½ million by offering special rates to attract these publications to mail in Toronto rather than in Chicago. Our only recourse if we wanted to add terminal charges, say if we wanted to impose a postage rate of X number of cents on *Life* magazine, would be to get out of the 137 nation International Postal Union, and of course this would be a disaster for all of us.

• (4:30 p.m.)

The Chairman: The hon. member for Annapolis Valley.

Mr. Nowlan: Thank you, Mr. Chairman. Earlier in this debate I spoke on second reading and have not participated since. I have listened to all the arguments which have been presented, pro and con, and I have listened to the explanations of the minister during the several days we have spent on this bill. I do not intend to speak on the generalities which have been discussed this afternoon. However I wish to mention a point which to me does not seem to have been considered. It might be thought of as being rather parochial, because it has to do with the province of Nova Scotia and the position of the Halifax *Herald* in Nova Scotia. Before I reach this specific item I should like to congratulate the minister—to use his own words of a few days ago—for either his sober second thoughts or for his second sober thoughts in respect of the Saturday postal service in rural areas, and the matter of strike pay which is now looked after more equitably by the inspectors in the field.

The change in respect of the rural mail delivery on Saturday is certainly an improvement and meets many of the objections from this side of the house and across the country. This afternoon another area about which the minister has acted positively, after suffering a barrage of criticism, is with regard to the immediate impact of these substantial or drastic changes concerning second class mail. After giving the minister all this honey and frosting I hope he will be in a receptive frame of mind when I come to my particular points.

While we have been discussing this bill there is something about which I have been a little perturbed. Allegations have been made about the pressure lobby, the newspaper publishers association, which is not a great friend of those of us on this side of the house. However, I understand that the newspaper publishers association intends to meet on Monday to discuss this bill. I understand further that because of their constitution, it was impossible for them to meet as a body to consider this bill and to make representations as a body.

The minister may very well say that he has heard a great many things and has had many audiences with various newspaper publishers of Canada, individually. Undoubtedly he has spoken to many of them in his office. I believe the other day he met with a group of maritime publishers and spent some time with them. I am sure also that he has spent varying periods of time with other individuals. I believe the publishers association of Canada, even though we do not agree with it too often, is a body which should be listened to. As I understand it, because of their constitution the members of this association are

meeting on Monday to consider this bill and to discuss their official representation to the minister.

Even though the newspaper publishers association did not hold a brief for us in the last election, I understand this association has been hamstrung because of its constitution and has been unable to meet as a body until Monday, even though individual members have met with the minister. In view of this and in view of what the hon. member for Hillsborough said earlier concerning the staggering impact of clause 4, perhaps the minister would consider standing this clause. It may be that after their meeting the members of the newspaper publishers association may come back and sing hosannahs to the minister for having preserved the Saturday delivery and for having staggered the impact of the drastic increases. There is not a member of this house on this side who really knows what their reaction will be. This is strictly gratuitous advice, but I believe that if we do not get this bill through before five o'clock we should stand clause 4 and then we could go through the other clauses quickly. This would give the association all the necessary time to look at the impact of these rates and make their official presentation to the minister. That, in general, is all I wish to say about clause 4. I have something more particular which I should like to say with regard to the Halifax *Herald*.

Mr. Kierans: Mr. Chairman, I met with the president and general manager of the Canadian newspaper publishers association one evening and spent a few hours with them. As the hon. member suggests, they explained that they were acting unofficially for their association because of a restrictive clause in their regulations. They wanted me to meet on Monday with as many directors as were interested. The following Monday for another hour and a half I met with 13 of the directors from coast to coast, from Halifax to Vancouver. They reiterated that they were not making a formal presentation but said "Here it is." I think they have presented their views. I do not expect them to sing hosannahs to me on Monday. I should like to ask for the adoption of this clause.

Mr. Nowlan: May I thank the minister for that extension of the information I have. I appreciate that perhaps his views would not change, even if he met with these people officially. If he is satisfied that he has their full views, I will not press the matter any further. Neither shall I rehash the arguments in respect of the constructive suggestion that this bill be referred to a committee. Because of the fact that these rates will not take effect until April 1, I will not repeat the arguments which already have been made.

I should like to refer now to the subject which really moved me to rise in the first place. I wish to be parochial and refer to a provincial area, the area of Nova Scotia. Since we are on this clause I believe this is the proper time to be parochial. I wonder whether any consideration has been given by the minister and his officials to another rate being struck for newspapers that in effect deliver their own publications. It is only sorted, carried and distributed by the postmaster and the postman in the post office of distribution. I do not know whether this situation applies in many other parts of Canada, other than the maritimes, and particularly Nova Scotia.

There are 33,000 mail subscribers to the Halifax *Herald*. If we believe the classified ads the total figure is over 40,000. During the recent campaign there was a good deal of talk about economic disparity. As the hon. member for Hillsborough mentioned these rate increases will perhaps be partly absorbed by the newspapers but will at least be partly passed on to the subscribers. If these rates should be passed along completely to the subscribers, then the economic disparity in an area already cut off may be worse. This applies certainly to the Atlantic area and to the Halifax *Herald* which delivers its paper from Halifax to Sydney, and then the Sydney post office perhaps distributes them to the rural mail contractors.

• (4:40 p.m.)

I should like to know what justification there is for charging the same rate to newspaper publishers that deliver their own mail to the point of distribution, and those newspaper publishers which drop the newspapers off at the Ottawa post office, for example, for distribution in Montreal. Perhaps this is true of the Toronto *Globe and Mail* which comes from Toronto to Ottawa. I am wondering if this situation has been considered and whether the establishment of a special rate would help to alleviate the burden on newspapers in Nova Scotia which depend on mail subscriptions, but which, because of the small size of the province, have set up their own trucking services to deliver the mail from Halifax to various points of distribution where the local postman delivers it to the door.

I am not standing here today to hold up this measure. Without making any criticism about the just society, or any other remark of a provocative nature, I should like to ask the minister what his response has been to these logical complaints and positions which have been stated? What has been the response?

Mr. Kierans: This has been considered. Every newspaper in Canada delivers its newspapers to us under the terms and conditions we have worked out. This has never at any time been charged against the cost we actually assess against the newspaper company. I may say in respect of the Halifax *Chronicle-Herald*, a subscription now costs $14. A subscription delivered by mail costs $32. Our cost of $9.50 is passed on to the subscriber. This amounts to $23.50 which is well below the $32. I appreciate the hon. member's point, but this is a practice which prevails across the country.

Mr. Nowlan: Mr. Chairman, I did not understand the minister's reply. Did I understand him to say that a newspaper I dropped into a mailbox in Halifax which is carried by the Royal Mail, or the Postmaster General's department—perhaps I should use that term so as not to be provocative and upset any tender hearts across the way—

Some hon. Members: Oh, oh.

Mr. Nowlan: Don't get me upset, because time is running out. Is the same price charged in respect of newspapers dropped in the mail at Halifax for delivery to Sydney and in respect of newspapers which are delivered by the publisher to one distribution point? I cannot understand why this should be so, in view of the fact that in one case the mail is transferred by department vehicles and employees and is sorted and delivered, just as is the case in respect of first class mail? Is that same price charged in respect of newspapers delivered from, say, Halifax to Sydney by the publisher for distribution by the Post Office Department to the rural areas?

Mr. Kierans: We do not work out the cost of delivering newspapers on the basis of one newspaper dropped in a mail box. We work out a cost of delivering newspapers across the country on the basis of 6.81 cents and we are asking by this bill to increase this amount by 2 cents.

Mr. Nowlan: The minister is a reasonable and a logical man. Will he not agree with me that my proposition is sound? It is cheaper for the post office department to receive the Halifax *Herald* in Sydney for distribution in that area than to receive it in Halifax and have to deliver it to Sydney for distribution? This is the situation in Nova Scotia because of the size of the province. Many newspaper publishers deliver these newspapers to a main distribution point.

Mr. Kierans: I agree with the point made by the hon. member.

Mr. Nowlan: Perhaps I will not receive much response to this question, because of the lateness of the hour, but does the Postmaster General not think it would be a good idea to strike a special rate for newspapers when there is a bulk delivery to the point of distribution?

Mr. Kierans: The majority of newspaper companies across Canada do this and they have been given full credit for the costs they have incurred.

Mr. Nowlan: Do I understand that the minister would not entertain an amendment to strike a special rate to cover this situation?

Mr. Kierans: No, Mr. Chairman.

The Chairman: Shall the amendment carry?

Some hon. Members: Carried.

Mr. Baldwin: No.

The Chairman: Shall clause 4 as amended carry?

Some hon. Members: Carried.

Mr. Baldwin: No, we want a standing vote.

The Chairman: Shall clause 5 carry?

Mr. Baldwin: No, we are not—

The Chairman: Order, please. Does the hon. member for Peace River have something to say?

Mr. Baldwin: We are not disposed to accepting clause 4 or the amendment. I gather we are still on the amendment, are we not?

An hon. Member: It was passed.

The Chairman: I did not detect that the hon. member had said anything from his seat. Is there some objection to the amendment?

Mr. Baldwin: Yes.

Amendment (Mr. McIlraith) agreed to: Yeas, 53; nays, 12.

The Chairman: Shall clause 4 as amended carry?

Some hon. Members: No.

Clause 4 as amended agreed to: Yeas, 47; nays, 24.

• (4:50 p.m.)

On clause 5—*Invitations to tender where amount over $1,000.*

The Chairman: Shall clause 5 carry?

Mr. Skoberg: Mr. Chairman, I asked the other day whether the Post Office Department terminated rail mail contracts, or whether the railways themselves terminated their own contracts and served notice that they wanted to get out of the mail handling business. I think the question should be answered at this time because it falls under the clause with which we are dealing.

Mr. Kierans: Mr. Chairman, the answer is no. Nobody wants to get out of the mail handling business; everybody wants to get into it.

Mr. Skoberg: Then I would respectfully suggest that this is where the over-all problem of the unity of Canada comes into the question. Hon. members know that if the postal department decides it is going to cancel a mail rail contract, immediately following this the rail line which is affected applies for the abandonment of that particular service. I respectfully suggest to the Postmaster General that he give serious consideration to this factor, because it is the start of a chain of events and carries on down the line.

Mr. Kierans: I will, Mr. Chairman.

Clause agreed to.

Clauses 6 to 11 inclusive agreed to.

On clause 12—*Coming into force.*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, clause 12 determines the coming into force dates of certain clauses of this bill. It is noted that the increases for newspapers and periodicals and mail of that kind do not come into effect until April 1, 1969, but that the minister would have the new 6 cent first class rate come into effect on November 1, 1968.

As the minister knows, some of us have tried to persuade him not to go to this 6 cent rate. It has even been suggested from this corner that he might have settled for a 5 cent rate across the board. The decision, of course, has been made by the action of the committee in adopting clause 3, to which I was opposed. I wonder whether the minister would relent at least to the point of not having the increase for ordinary people, in respect of first class letters, come into effect until the same day as the increases for mail of other classes, namely April 1, April Fool's Day, 1969.

Mr. Kierans: Mr. Chairman, I would dearly love to have those rates that are coming into effect on April 1 come into effect on November 1. I would prefer to do it the other way around. However, this is impossible. In the clauses of the bill which have been passed thus far there is a wholesale regrouping of the second class mail structure. A number of publications which at the present time enjoy statutory privileges will no longer enjoy them; others move into third class, and so on. This entire restructuring of the second class mail will take my officers several months to sort out, and of course a great deal of information will have to be given to the publishing associations and people affected. I regret very much that I cannot accept the suggestion of my hon. friend.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, believing that the minister still has a heart somewhere inside him, I wonder if I can try another request.

An hon. Member: It is not a heart; it is a water-pump.

Mr. Baldwin: He is awaiting a heart transplant.

Mr. Knowles (Winnipeg North Centre): They are doing that in Montreal these days. Nowhere in this bill can we reach a parliamentary decision on the question of the suspension of the Saturday delivery service. The minister does that under his authority as Postmaster General, with all the rights and privileges pertaining to that authority. There has been a fair amount of discussion of the matter, however, and the minister has relented so far as rural areas are concerned. He knows that some of us still feel he might reconsider the position of people in urban residential areas. I recognize that he has taken certain steps to try to make sure there will not be inconvenience caused by non-delivery of the mail on Saturday to residential areas. Even so, there are bound to be many cases of privation.

It may be possible for the government to make sure that pension cheques go out early in the week and are not held in the post office over the week end, but there will be all sorts of other cheques from private sources, and so on, which are bound to be received on Monday instead of Friday, and in many cases this will result in privation. The date the Postmaster General has set for the inauguration of the five-day delivery service is February 1. There does not seem to be any way in which we can decide this question by vote. It seems strange to some people that one man can decide this question, and not parliament as a whole. But, hoping the minister is still in a frame of mind to consider various aspects of this question, will he reconsider between now and February 1 the question of continuing the six day delivery service in residential, urban areas?

Mr. Kierans: Mr. Chairman, this question does not strictly come under this bill, of course. I will discuss it further with my hon. friend opposite. I believe that on balance—and I will certainly try to convince him of this—the demand for this service is not commensurate with the amount of savings that can be made by restricting delivery to five days a week in urban areas and the alternative uses to which we could put those savings. In other words, we feel the savings of about $13 million from this service would be much more profitably used, whether this will be in the field of the arts or an additional initiative in the fields of health or education; but all these choices would then be open to the government and the house.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, if the minister is interested in ways in which some of this money could be used, may I remind him that when I stand, as I do quite frequently, and ask that something be done for retired civil servants, many of these retired civil servants are retired postal employees. Perhaps he will as a cabinet member become interested in this subject and try to get his fellow ministers to deal with this important issue. We hear all the time about what can be done with money that we save, but we have a very difficult job getting any of that money used for some of these purposes.

The minister is counting upon the support of the postal workers in connection with the whole new régime he is establishing. I would remind him that some of the most disappointed people in this country are retired postal workers, and I ask him to become interested in this ancillary but very important question.

Mr. Kierans: I certainly will, Mr. Chairman, and I look forward to an opportunity next week or the week after to have lunch with my hon. friend, at which time he can fill me in and tell me exactly the arguments I will need to support the cause he has just put forward.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I express my thanks to the Postmaster General for the invitation. I hope I do not sound ungracious when I say that I must still call "on division" on this clause because I do not like what it does.

[*Translation*]

Mr. Laprise: I should like to put a question to the Postmaster General (Mr. Kierans).

We are now studying clause 12 which stipulates that clause 3 on postage rates for letters will come into force on November 1 next.

We know that quite often when there is insufficient postage, the addressee of the letter has to pay a fee, and when the letter is refused, the addressor of the letter is fined. I do not believe this occurs very often, but with the new postage rates, it may occur more often.

I should therefore like to ask the minister whether he intends to provide for an adjustment period, perhaps two weeks or a month, to avoid misunderstandings and inconveniences in cases where a five-cent stamp may be used inadvertently—we have done it for so long—and thus avoid penalties for a certain length of time after the act goes into force. What does the hon. minister intend to do in this regard—

Mr. Kierans: It is stipulated that the act will come into force on November 1.

• (5:00 p.m.)

[*English*]

The Chairman: Shall the clause carry?

Mr. Knowles (Winnipeg North Centre): On division.

Clause agreed to.

The Chairman: Shall the title carry?

Mr. Knowles (Winnipeg North Centre): On division.

Title agreed to.

The Chairman: Shall I report the bill?

Mr. Knowles (Winnipeg North Centre): On division.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time; at the next sitting of the house?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, may I ask for an indication from the house leader of the program for next week?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. It is our intention to call first on Monday the third reading of the bill which we have just passed amending the Post Office Act, and then call for the completion of the committee stage of the farm credit bill and the third reading of that bill, followed by the consideration of the prairie grain advance payments bill.

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

CRIMINAL CODE

AMENDMENT TO PERMIT PEACEFUL PICKETING

Mr. J. Edward Broadbent (Oshawa-Whitby) moved the second reading of Bill No. C-3, to amend the Criminal Code (modernization of law of picketing).

He said: Mr. Speaker, this bill is proposed as an amendment to subsection (2) of section 366 of the Criminal Code of Canada. The purpose of the bill is to permit the peaceful picketing by any number of people for the purpose not only of communicating information but also of persuading other employees and people having business dealings with a struck company to support the cause of picketers, particularly in the case of a lawful strike.

At present section 366 of the Criminal Code prohibits intimidation by means of violence, threats, disorderly conduct and by watching or besetting.

Subsection (2) of section 366 provides an exception in applying the concepts of watching or besetting. It asserts that a person does not watch or beset within the meaning of section 366 if he "attends at or near or approaches a dwelling house or place, for the purpose only of obtaining or communicating information".

As the law now reads there are two major flaws in it. The first is that a judge may reasonably decide that in the case of an otherwise legally conducted strike any number of pickets exceeding one is a form of intimidation. This is so because subsection (2) begins with the words "A person who attends at or near". My proposed amendment would remove the possibility of such a decision. By replacing the singular "person" with the plural "persons" no ambiguity on the question of numbers permitted in a strike is possible.

The second flaw in subsection (2) as it now reads is that it asserts that one does not watch or beset if one's purpose is only to obtain or communicate information. The legal force of this reading is that if men on strike, in addition to imparting information, seek actively to persuade others to follow their example, they can be charged with watching or besetting.

My proposed revision of subsection (2) would make it a legitimate purpose of picketing to persuade or to attempt to persuade, without violence or attempts at violence, others to do or not to do something.

I would like to speak briefly on the justification for the proposed changes. In suggesting that the law make clear the right of any number of men to join a picket line, I do so primarily because a number of people acting jointly for a common cause do affect the thinking of others. To see one man demonstrating may arouse little interest and even less concern. But to see 50, 100, 1,000 or several thousand will, in the thinking of most men, provoke a much more serious response. When confronted with a large gathering, all but the most hardened are moved to ask themselves: Why do these men assemble? What is their purpose? Is their cause a just one? Shall I support them? Should I join them?

You will note, Mr. Speaker, that my point here is not that numbers alone provide a reason for concluding that the purpose of any particular assembly of men or any specific picket line is a just one, but rather that such gatherings do suggest that many men think they are acting for a good and just purpose and that others, especially those directly affected, are much more likely to give serious thought to the question at issue.

Peaceful demonstrators in the past and at present, both in liberal and non-liberal societies, have always recognized this truth. The

early Christian martyrs, seventeenth century reformers, nineteenth century democrats and twentieth century workers—each of these groups sought to evoke a positive moral response among others by peacefully gathering in large numbers and thus provoking consciousness of a serious problem, a just cause, or a way of life. I submit that the law of Canada should recognize this important human fact and clearly establish its legal propriety.

• (5:10 p.m.)

The second major effect of my proposed amendment can be defended even more briefly than the first. By giving to strikers the right to persuade others to act in a legal manner, we will simply be doing what ought to have been done long ago. One of the defining characteristics of a free society is the right to influence others' actions by means of reasonable arguments. Those who seek to persuade men of the rightness of their cause should not be restricted to the right to communicate information; they should also have the right to argue for its moral propriety. Facts alone are insufficient grounds for moral choice. Facts must be linked by supporting reasons. A free society, therefore, must make it a legal right for workers as well as others to persuade as many as they can that their cause merits support. To deny this right to these workers is to deny them a fundamental freedom. For these reasons, Mr. Speaker, I urge support of my bill.

Mr. Charles Turner (London East): As a new member rising for the first time in this house, Mr. Speaker, may I congratulate you sincerely upon your appointment to this office. I certainly agree with other hon. members that Your Honour is particularly well qualified for such a position. I should like also to congratulate Mr. Deputy Speaker on his appointment, as well as upon the fine manner in which he is carrying out his duties. I am very pleased also to extend to the deputy chairman of the committee of the whole my sincere congratulations.

The bill before the house today presents many problems. In my opinion, the effect of its passage would be to eliminate many of the serious problems trade unions face today. The right of workers to join a union has been spelled out in the Industrial Relations and Disputes Investigation Act and in various provincial labour acts. I should like to quote

section 3, part I of the Industrial Relations and Disputes Investigation Act:

> Every employee has the right to be a member of a trade union and to participate in the activities thereof.

The number of workers in private industry and government enterprise who belong to a trade union in this latter part of 1968 totals almost two million. Relationships between labour and management on the whole, in my opinion, are quite good. Certainly in some industries we have labour problems. There have been many reasons for these problems. There has been the introduction of technological change, which has been badly needed to increase efficiency and to place industry in a competitive position in world markets. There has been a desire on the part of employees for better working conditions. Perhaps worst of all, there has been virtually no valid communication between employees and employers. These problems did not develop overnight but have been accumulating over the years. They lead to long and costly strikes or at least threaten to lead to strikes. I suggest that management and the unions may find the government settling, once and for all, these day to day problems.

It is true there will always be areas of conflict. It is for this reason we have collective bargaining. However, there is no sense conducting bargaining in an atmosphere of hostility. Management and labour must learn to live together and to communicate. It is time that management and labour realized their responsibilities, or governments will have little alternative but to be more forceful in introducing the solutions to keep industry alive. It is true that on occasion there are strikes. It is true also that many people think there are too many strikes. If management and labour bargained in good faith we could eliminate strikes which, in turn, would eliminate picket lines. It has been said often that nobody wins a strike. What is the working man or woman supposed to do when companies force them into a strike position? Many companies work employees long hours of overtime before the strike date. The products made during this working period are taken and stored in other parts of the city, so that when the strike is called the company can still operate because it can still fill all its orders from this supply of goods.

The collective bargaining process is now about 70 years old. I am told that the process was invented in England some time before the turn of this century. The procedure is highly sophisticated, highly developed, and I

might add works exceedingly well. However, there is room for improvement. In my 25 years of experience with the collective bargaining process, I have found that union members turn to the picket line only as a last resort, and after the majority of the members have voted in favour of strike action in a democratic manner by secret ballot. Usually by this time the companies and the unions have exhausted all ideas for a settlement and all legal channels have been explored by the parties to the disagreement.

I urge the Minister of Labour (Mr. Mackasey) to discuss with his colleagues, the Minister of Justice (Mr. Turner) and the Solicitor General (Mr. McIlraith), the possibility of amending section 366, part II, in order to provide that pickets will be allowed to be as numerous as the union desires, so long as they behave peacefully and within the law. There is no law in this land that prohibits peaceful demonstrations. The picket is there to protect his or her job. These people try to persuade others, whether they be employees, customers or clients of the employer, not to cross the picket line. In so doing, they hope to secure a settlement from their employer. All the picketer is requesting is his share of the economic pie, which he helped to create, so he can give his family a decent standard of living and an education.

In the riding of London East, Mr. Speaker, there are thousands of union members, many of whom I know personally. They are all good, responsible and peaceful citizens. They work hard and try to buy a home, educate their children, pay their bills and are always ready to stand up and be counted when any community project is undertaken. When their union contract expires, they look forward to management negotiating in good faith, through the process of collective bargaining, to reach a just settlement. They hit the picket lines only as a last resort, because they have no other choice. They expect the picket lines to be honoured; but when trucks try to run the picket lines, violence is caused.

• (5:20 p.m.)

Our society expects a man to marry, rent or buy a home, bring children into this world and clothe and educate them; he is also expected to buy all the things that are displayed in stores and supermarkets, buy a car, take a yearly vactation—even on a buy now and play later basis—contribute to the church and community efforts, as well as pay federal, provincial and municipal taxes. All this adds up to one thing, Mr. Speaker: money, or the weekly pay cheque.

The worker is expected to be able to pay his way in our society; but when his contract expires and his union negotiates in good faith for a just settlement, when he is not offered a raise in pay to take care of his expenses and the rising cost of living, he has no alternative but to go on strike and face days of walking back and forth on the picket line. This is not the only thing that faces the striker; he has to face falling behind in his payments on his home, his car, his furniture, and so on. And, if a strike lasts long enough, there is the possibility of losing his home, his car, his furniture, etc.

The working people of this country, Mr. Speaker, take great pride in being good Canadians, and we must not forget that unions and picket lines have helped immensely in the creation and building of this great nation, so that all Canadians may enjoy a better way of life. They spend hours on the picket lines, and the result of their walking eventually is a settlement which affects all the business people of the community in which they live.

As a member of two railroad brotherhoods that have been in existence since before this great Canadian nation was created, I maintain that we are constantly confronted with making decisions at picket lines. We resent having to be faced with investigations, discipline and threats of loss of pension because we will not cross picket lines.

If parliament were to make this change in the Criminal Code, it would be the first important step toward encouraging management and labour to bargain in good faith and create just settlements. Strikes are unfortunate, Mr. Speaker; each time one occurs, every one of us regrets it, including the strikers. But when strikes do occur the strikers should have the right to be given the opportunity to picket in a proper way. They should not be threatened by injunction orders that only help to create bitterness—a bitterness that has resulted in unfortunate arrests and prison sentences during the past few years.

If this law were to be changed, pickets would be limited to perhaps two or three at each gate, because this is all the unions would need. The trouble begins when the companies try to move goods or scabs in or out of the plants and word gets around; then we have mass picketing and consequent violence when the pickets move to protect their jobs. The

police are called and this usually depletes the number of available policemen for other duties; so the police department has to call in policemen who are off duty or working other shifts. This all adds to the city tax bill, as the police have to be paid for working extra time.

During the post office strike in London there were never more than six or eight pickets on duty, working a three or four hour shift; consequently there was no trouble.

In conclusion, Mr. Speaker, we must all remember that the workingman or woman of this nation pays over 60 per cent of the income tax received by governments. He has no loopholes to avoid taxes, because it is all taken from his cheque before he receives it. Workingmen and women of this nation buy the products of their labours, and pay the full retail price. They are quite willing to pay their way, but they must have some guarantee that they will receive their fair share of the economic pie, so that they can live and play with dignity in the new just society.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, the legal results of such an amendment seem to me, at first glance, to be very clear. At the present time, picketers are, I think, free to give information to other people, who are in turn free to decide whether their relations with the picketers could in any way affect their contractual and working relations with the employer.

The proposed amendment would give picketers the right to try to persuade persons who have signed a contract with an employer to violate their contractual obligations. I wonder whether there is not some way other than picketing to persuade our fellow-Canadians.

According to the act, picketing is used to communicate information, to receive or give information. That is where the provision of the act is obsolete because in this day and age it is possible to use many other means of information without having to meet in groups in the street. There is television, the telephone, the newspapers which can be received in every home in Canada every day, and many other means of communication.

Now, this is an attempt to include the right of persuasion which is a real right and I think that the workers should have that right. On the other hand, I wonder if striking workers who want to persuade their fellow-workers or some of their fellow-citizens could not, as is done in other circumstances in other fields, simply ask them to a public hall to inform them, influence them or even visit them at home if they agree.

In many cases, such a permission would be granted to them. I know very well that if workers in my area were going through that ordeal—and being on strike and having to picket to seek justice, in the case of a legal strike, is an ordeal—and asked me and friends of mine permission to meet me in my home, as an ordinary citizen, and explain their problems so that I can understand them, so that I can take sides with them, to help them defend their cause, I, as the majority of responsible citizens, would accept to receive in my office or in my private home those workers with problems to be settled.

In my opinion, the decision on the advisability of such an amendment would rest with the Minister of Labour (Mr. Mackasey) rather than with the Minister of Justice (Mr. Turner). The Minister of Labour and the Minister of Justice could get together as they have probably had occasion to in such cases, in order to update our legislation.

• (5:30 p.m.)

Furthermore, since this amendment could affect public order in general as well as the ownership and civil rights in the provinces, a change such as that proposed in this bill would require consultation with provincial representatives in order to determine the border-line between provincial and federal jurisdiction with regard to those ever so complex labour relation problems.

The legal implications of this bill could lead to further complications. The sponsor of the bill (Mr. Broadbent) and its supporters in general have often taken this opportunity in this house or elsewhere to express their viewpoint in this respect. Generally speaking, this problem is a matter for the provincial rather than the federal government.

However, in their opinion, the federal government could look after it by changing subsection 2 of section 366 of our Criminal Code. Thus, the matter of watching or besetting, which is allowed under this section, could be defined so that our courts could no longer limit the number of people involved in picketing and punish the picketers and the labour unions, if they attempted to get the support of others.

That is why the Minister of Labour has often been asked to discuss with the Minister of Justice and Solicitor General (Mr. McIlraith) the possibility of amending subsection 2 of section 366. Then, when a strike is legal,

there could be as many pickets as the workers choose or deem necessary, provided civil rights and public order are respected and demonstrations are peaceful. As it stands, the law provides only for the communication of information and, in this regard especially, it is archaic.

Not only should this article be changed—if I refer to the debates in this house—so that pickets can get or give information, but it should also clearly stipulate that the pickets have the right to persuade or take the means to persuade the employees or any other person to adopt or to refrain from adopting such and such an attitude, provided the means of persuasion conform with the law and the general good of society. Besides, it must be admitted that this is the purpose of picketing.

As someone said a while ago, strikes—how true—are always unfortunate. They upset the economy of the area in which they take place. They, at times, upset the economy of the whole country and, in addition, they create difficulties for the worker himself, through loss of income and other benefits.

It is obvious that we must constantly try to modernize our legislation, not to make things more difficult for those labour unions which are asking for justice, but to simplify the solution of conflicts between management and labour, in order that it may not be too prejudicial for our economy and that the lot of workers will increasingly be improved.

Finally, it is clear that, in a democracy such as ours, any citizen who wishes to indicate that he supports strikers should also be entitled to do some picketing.

Some time ago, the Ontario government established a royal commission of inquiry on labour relations. As most members know, the report of the royal commission, of which hon. Yvan Rand was chairman, dealt at length with picketing during strikes. This is how the members of the commission summarized their views on the subject at the end of the chapter on picketing.

> Except in cases where otherwise provided, lawful picketing becomes a direct and important measure connected with a legal strike and necessary to support it; it should be limited to the plant, the workshop the head office or the headquarters of the strikers; it should never take place anywhere else. Any other kind of picketing should be forbidden.

The primary objective of this bill, as can be inferred from its subtitle, is the modernization of the law of picketing.

It is true that our labout legislation is derived from the English law, which goes back a hundred years and more. It is obvious that such laws have to be updated quite often as the years go by.

Nevertheless, we all know that, on the whole, in federated countries such as ours, the principle of the distribution of powers between federal, provincial and local governments is respected.

In practice, jurisdictional problems are unavoidable. The United States and their capital cities cannot escape this rule, no more than Ottawa and the provinces.

The text of our constitution seems clear. Nevertheless, legislative power in the labour field has been subject to quite a number of disagreements between the Canadian parliament and the provinces.

I believe we can refer here to subsection 13 of section 92 of The British North America Act, which reads as follows:

> Property and civil rights;

On the other hand, subsection 16 says:

> Generally all matters of a merely local or private nature in the province.

Therefore, the power to legislate in the labour field comes under provincial jurisdiction.

• (5:40 p.m.)

It is obvious that the parliament of Canada can legislate on that matter when federal employees, industrial and commercial undertakings, shipping, the navy, railways, canals, telegraphs linking the provinces, air traffic and broadcasting are concerned.

Those undertakings come under the jurisdiction of the federal government according to section 91 of our constitution; that explains the adoption of our national labour code a few years ago. However, even if it is sometimes difficult to take into account the theory of the unoccupied field and that of the unexercised power, it is always good to think of entering into a dialogue with the provinces.

The first legislative measures passed in Canada were, as I said earlier, adopted from the British law for Canada. In the provisions of our Criminal Code regarding violence, threats and assault, section 366 defines illegal picketing and allows peaceful picketing following the many requests made by the Canadian Labour Congress. This section completes, so to speak, section 410 which recognizes the right to strike.

The background of sections 366 and 410 illustrate, in my opinion, the evolution in the

federal government, political parties, management and our main labour unions, as well as their tendencies with regard to collective bargaining. Up to now, in my opinion their work has, at least in part, been successful and I think that the government continues to work in that direction, so that our legislation in this field will always be up to date and really modern.

We all know about the specialized team or teams in labour relations which consider this problem regularly. In 1967, we received a preliminary or progress report by a specialized team coming under the office of the privy council. Those who considered the report—all the members have probably done so as well as our colleagues of the New Democratic party—find that it is already an important step, because it gives us all the elements of the problem in the field of labour relations.

We note also that in December 1967—and this makes us believe that it was carrying on its work, in advising the government on progress to be made in that field—the task force looked into all the aspects of the problem. Its members developed a serious program of research. They met the representatives of workers and employers, as well as senior officials of the government. They even studied foreign systems, to get inspiration from them and develop that best system existing in that field.

The whole results are presented in matters concerning labour relations and divergent economic and social objectives. As for the rights and responsibilities of the parties concerned, when the matter concerns legal structures—if one refers to page 19 of the report—we note that this task force looked very seriously into legal structures relating to labour relations in Canada.

In my opinion, under the present circumstances, it would be advisable to leave that problem to our government, to our Minister of Labour who is one of the most dynamic ministers devoted to their task that we have known up to now, in short, a minister who does not forget the workers and has shown his mettle. We could let the Minister of Justice and the Minister of Labour help the government to modernize our labour legislation.

In my opinion, our colleagues of the New Democratic party to which the mover belongs has a tendency to forget sometimes as I mentioned earlier that we are—

[Mr. LeBlanc (Rimouski).]

The Acting Speaker (Mr. Richard): I regret to advise the hon. member that his time has expired.

[*English*]

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to talk for a few moments on this bill because I represent an area that has a mixed economy, an area where the preponderance of people are engaged in the agricultural industry.

I wish to point out that people in agriculture have never been able to strike whenever they felt an injustice was done to their industry. Considering present levels of income, and conditions generally that exist in the west, I think that today they would have every right to strike, picket, and withhold their products from the market. However, I have never been one to advocate that type of thing because I feel that when food is necessary it must be distributed. I think 99 per cent of the farmers subscribe to that approach.

However, farmers are sometimes placed at the mercy of some other segment of the economy. They must pay the price, regardless of whether they are able to defend themselves. Sometimes they lose their entire holdings. Sometimes they have to stand by and watch a lifetime's work go by the board, because they have to accept the decision of other bodies.

As I say, I represent a mixed economy. Some of my constituents work in mines and in lumber mills, and I can safely say that there are occasions when it is necessary for workers to strike and picket. Recently a strike was settled in my area following negotiations over a period of time. But sometimes negotiations break down. The public resents the fact that on occasion a great deal of pressure is placed on other segments of the economy that indirectly must pay the price of a settlement.

I also know that members of unions on strike have often expressed the opinion that they wished they did not have to strike. This is no revelation; the public generally is aware of it. I cite the example of the longshoremen's strike, where a handful of people tied up a whole economy, with the result that the country's balance of payments may be adversely affected. When such a situation occurs the government of the day is in a very awkward position because it cannot come out and definitely take the side of management, nor can it oppose the position taken by the workers. The

government finds itself on the horns of a dilemma.

Even today if you mention that strike to farmers in western Canada their blood boils. They are the people who will eventually have to pay the price for settling it, and the rest of the economy will also suffer. There must come a time when we will have to decide whether the public interest is more sacred than the interests of a few people who, perhaps not of their own volition, become involved in arguments that cannot be satisfactorily negotiated.

Management must accept its share of responsibility. It has not done so on many occasions, but I think that generally speaking the public now realizes that after every round of strikes inflation sets in and all of us are involved in the problem. We will be resuming the budget debate in a few days time; and one of the big arguments in it will concern inflation, a problem for which governments over the last 20 years could be condemned. When inflation rises we can always attack the government.

• (5:50 p.m.)

I believe one reason that we sometimes find ourselves in this difficulty is that quite often a little group is left out of the merry-go-round, and as a result there is a power play. It seems that everyone wants a little bigger slice of the economy. No one seems to be able to strike a balance. I believe the Rand report provides us with a good reason for thinking. It would seem to me that in this country we should have now reached a point where we can face up to our responsibilities, whether we be part of management or part of labour, and whether we belong to the white collar group, the blue collar group or some other group. I think we should all be prepared generally to accept more responsibility. If we are ever to stop needing strikes and picketing we must recognize that there is a dispute involved in respect of which there must be a decision.

If I should become involved in an accident and there should be a lawsuit I know that I have a right to appeal the decision to the highest court of the land. Finally when a decision has been reached, whether or not I as an individual believe it is a proper decision, I know that that is the decision and that there is nothing I can do about it, even if I grudgingly feel an injustice has been done. I think both management and unions must some day accept this fact. Whether we call it compulsory arbitration or something else, the fact is that there will have to be a judicial body set up to make a decision when a large segment of our society is involved in a dispute. We must have such a body which can sit down and resolve the situation, so that the other people who are involved in our economy will not suffer. It is ridiculous that 20 million people should have been involved in the longshoreman strike.

On one occasion when I visited Poland the officials in one of the departments were asked "What about strikes" and they replied "What are they." Yet every worker in that area had complaints. We have our freedom and we must be careful that we do not abuse it by employing methods that are available to us because of our better standard of living. Generally speaking, I believe there have been hundreds of strikes that would never have materialized if there had been proper negotiations.

It is interesting to note that this bill was introduced by a member of the New Democratic party. I wonder what position that party would take in the type of situation I have described. How can one be on both sides; how can one stand and say he is for this and that and everybody? We certainly do not wish to tie the hands of any worker. I have done my share of work in my lifetime, and I do not want to be put in the position where I would not be able to speak for myself or have someone else speak on my behalf.

I certainly believe, however, the time has come in this country when it is important that we look at the other side of the coin in relation to the effect these things have on the economy. If we run the economy ragged, there will not be any need for picketing. We must realize that sooner or later someone will have to stand up in this house and say the things that perhaps government is not willing to say. Someone, if not a whole party, must be willing to stand up here and say some of the things which many of the people of this country are thinking.

Mr. John L. Skoberg (Moose Jaw): I should like very briefly to say to the hon. member who preceded me that the agriculture economy has its destiny in its own hands. In the constituency I represent we have a 50-50 split between the farming section and the urban section. We experience absolutely no problem in getting the two groups, the farmer and the urban dweller, to work together. Their problems are alike.

We know that this public bill, as it actually says, is intended to give a right of persuasion. We know also that in the last year we had the Declaration of Human Rights which gives to human beings the free right of expression. I suggest that the whole purpose of this bill is to give to individuals the right of free expression.

I would like to ask that we have the question put.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have listened with a great deal of interest to the last two speakers. This bill, introduced by the hon. member for Oshawa-Whitby (Mr. Broadbent), I believe involves an amendment to the Criminal Code.

Mr. Knowles (Winnipeg North Centre): The labour code.

Mr. Francis: There is no question in my mind but that this is a federal responsibility. It is equally clear that the bill as introduced in its original form by the hon. member for York South (Mr. Lewis) in a previous parliament dealt with the restrictions placed upon picketing. I find myself in a good deal of sympathy with the amendment. The present exemption in the Criminal Code deals with a single person. It is obvious that this is much too restrictive in a number of circumstances. It is obvious that this is not the type of amendment which can be made singly in the general context of labour relations.

The Acting Speaker (Mr. Béchard): Order. The hour provided for the consideration of private members business has now expired.

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

APPENDIX

HOUSE OF COMMONS—UNVEILING OF PORTRAIT OF FORMER PRIME MINISTER

Mr. Speaker: Mr. and Mrs. Pearson, Mr. Prime Minister, the Leader of the Opposition, Mr. Speaker Deschatelets, Mr. Lewis and Mr. Laprise, hon. Senators, hon. members, distinguished colleagues, ladies and gentlemen, on behalf of the members of the House of Commons, and if Mr. Speaker Deschatelets will authorize me to do so, may I say on behalf of the members of the Senate, I welcome you to this truly significant and historic occasion. It is a particular pleasure to extend very warm greetings to our guest of honour, the Right Hon. Lester B. Pearson, and to Mrs. Pearson.

The presence here of so many of your former colleagues, Mr. Pearson, is evidence of the high regard and esteem in which you are held by those who served Canada with you in parliament.

[*Translation*]

Ladies and gentlemen, this ceremony gives the parliament of Canada the opportunity to recall the high points of an illustrious career dedicated to the service of Canada. It gives us the opportunity of expressing to you, Mr. and Mrs. Pearson, our respect, our admiration and our affection.

[*English*]

I will now call on the leader of Her Majesty's loyal opposition, Mr. Stanfield, to come to the rostrum.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, Mr. Prime Minister, Mr. and Mrs. Pearson, ladies and gentlemen, I have a long speech here, as Mr. Pearson himself noticed. I am going to read it with great care because I do not feel it is really safe to praise Mr. Pearson fully and without restriction. Since he is still alive and since I cannot be sure that he will not come back to politics, I have had to prepare my remarks for today with unusual care.

This is an appropriate occasion to honour Mr. Pearson. Twenty years ago tomorrow he was elected first to the house. This is United Nations day, and the flags that are flying remind us of Mr. Pearson's role in the field of foreign affairs, of his work aimed at international peace and development, of his activities as President of the General Assembly of the United Nations and as Secretary of State for External Affairs for Canada. At present he heads the committee on international development policies, which is affiliated with the World Bank. Today we pay our respects to Mr. Pearson for the part he played in these many roles. Certainly, his contribution in the field of diplomacy and international affairs is well acknowledged. So able was he in any area of negotiation, that any who have dealt with him have had to be most careful, for fear of losing their shirts without even being aware of it.

It is no light task to praise a former Liberal prime minister while he still lives, yet we must all recognize that he was prime minister of Canada when this country faced difficult times. During his day as prime minister his task was not as nice and easy as it is for the present one. Mr. Pearson made it his special purpose to encourage unity and understanding in Canada, something that most other countries never achieve in full measure. Under his leadership we went a long way in Canada toward achieving unity and understanding.

In a very real sense his career coincides with the growth and maturing of Canada. Having been born in a manse, which is in a village that has since become a metropolis, he decided, after floundering around in an academic and athletic career, that it was easier in the public service. He began in a relatively minor role and became during the years a respected and creative mediator acknowledged around the word, as well as being a man greatly respected in his own country.

We are not, of course, on the same side of the House of Commons, but I feel honoured that I have been invited to attend here and express, on behalf of my party, and above all personally, to Mr. and Mrs. Pearson my own gratitude for his services to Canada to date, and my congratulations, as well as those of countless other Canadians who have always admired Mr. Lester Pearson. (Applause).

Mr. Speaker: Thank you, Mr. Stanfield. I wish at this time to welcome Mr. Diefenbaker, whose delay for just a few moments was caused, I understand, by his studying the roster for tomorrow.

I should now like to call on the Prime Minister, the Right Hon. Pierre-Elliott Trudeau.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, Mr. Pearson and Mrs. Pearson, fellow parliamentarians, ladies and gentlemen. As some of you who were here a fortnight ago realize, I am not really making my debut as a portrait unveiler. I did so on another occasion, and I might say in passing that if the right hon. gentleman is in trouble with the roster I would be pleased to explain its intricacies. But in more senses than one, this is a first for me. It is the first time I have unveiled a portrait of a former President of the General Assembly of the United Nations, it is the first time I have unveiled a portrait of a Nobel Peace prize winner.

The world has benefited from Mr. Pearson's endeavours in international affairs. As Canadians we all share in the pride which Canada feels because of the work Mr. Pearson has done in the international field. If Canada is well known in the world today, if it is known as a country which has striven for peace and justice and which has given a great deal of effort and courage to the finding of ways in which peace and prosperity can be shared in a better division across the world, it is in large measure due to Mr. Pearson.

I think it is characteristic of the man that, having shared the burdens and cares which bedevil the prime minister of one country, he should have decided to go on in international affairs to use his retirement as an opportunity to work on a global scale for the betterment of the condition of man everywhere. I think it characteristic that he should have agreed to head a task force for the World Bank in the area of international development—an area which is extremely important for the peace of the world and one in which we are sure Mr. Pearson will make a great contribution. As leader of the government of this country, bedevilled to some extent by the difficulties which the Leader of the Opposition mentioned, I can say that I hope Mr. Pearson and I will remain friends for a long time, because it is pretty important in this day and age of international difficulties to have a friend with good contacts in the World Bank.

[*Translation*]

I should like to say that I am deeply moved to be called upon today to pay tribute to Mr. Pearson because, as you know, I entered politics under his wing, under his guidance, and to a large extent I owe to his wisdom and his advice a better understanding of politics. And if you will allow me to say, I think I am in a position to know also that his school was a good school.

I should like to add that Mr. Pearson made an extraordinary contribution, not only to the world of international affairs, but to our own national affairs. He came at a turning point in our history. I would say that he gave a new dimension to Canadian politics, a dimension which is singularly appropriate at the beginning of the second century of confederation.

Because of his great understanding and deep respect for his fellow men, which leads him to put the individual above institutions, he came to realize that at this turning point in our history we could build a great deal upon people, our country's greatest asset.

In a sense, our first century was a century of development, during which we harnessed our natural resources, invented new media of communication. I think that he felt that our second century would be built largely upon the men and women who make up this country.

[*English*]

Mr. Pearson understood, and still understands that our second century will be another mission of the people who inhabit our country. I think he has shown us, better than any other prime minister before him, the important values which are attached to the individual.

[*Translation*]

He came at a time when it was extremely important to grasp that great wealth which was ours on account of our bilingual make-up and our various cultures. He knew how to give this country leadership based on that reality.

[*English*]

For these things, Mr. Pearson, we want to express to you our gratitude; for having shown us that with your skill as a diplomat, and as a statesman, with your great feeling as a humanist, you have been able to lead us, able to lead this country, in the right direction for its second century. You have shown us that this country is built on respect for all these values which Canadians share. I want to say it is a great honour for me today to unveil this portrait of such a distinguished Canadian.

Mr. Speaker: On behalf of the parliament of Canada I accept with gratitude this gift of

the government of Canada. This fine painting by an excellent Canadian artist will forever honour and grace the walls of this august building.

I would like now to call on our guest of honour, the Right Hon. Lester B. Pearson, former prime minister.

Right Hon. L. B. Pearson: Mr. Speaker, Mr. Prime Minister, Mr. Stanfield, Mr. Diefenbaker and ladies and gentlemen, I must begin by thanking the Prime Minister for his very kind and generous words, and for unveiling me. I thank him also for being here with us this evening. I think of him, however, not always as a prime minister but as a man who used to be my parliamentary secretary when I was prime minister, and whom I had on duty three days a week. Those were the days when the rosters were informal and unofficial.

I should also like to thank Mr. Stanfield for his courteous and friendly observations, which were balanced eloquently by caution and generosity. But I should have told him in advance that he really had nothing to worry about; that is, it is possible for him to praise me if he so desires, because I have forever left politics, at least Canadian politics. Indeed one commentator was unkind enough some time ago to say that nothing became my political life like the leaving of it.

It it a great and rather intimidating pleasure to be on this platform with my successor and predecessor. But I am delighted and honoured to have on this platform my predecessor, Mr. Diefenbaker, with whom I have been associated a long time. Our association seems to become friendlier and more intimate now as the days go by. I have not yet come across him walking in Rockcliffe park, because I probably get up a little earlier than he does. I want to tell him how sorry I was not to have been able to be present two weeks ago, for reasons about which he knows, when a similar ceremony was held to honour him as a prime minister. It would have been rather nice, as I believe he indicated himself, if we had been able to hang together. I think perhaps we ought both to congratulate ourselves that, if we have not done so yet, at least we have not hanged separately.

This of course is my first hanging. I have been at other ceremonies of this kind here, but this is the first time I have been hanged myself. I should like you to know that the condemned man enjoyed a hearty breakfast this morning. My sense of pleasure and honour in being here is increased by the fact that I see around me so many of my old parliamentary colleagues and friends.

I do not know whether I should comment on the picture. I am of course a well known art critic. I might say that as you go around the halls and look at the other pictures of prime ministers you might say that this is sort of half way between the sober and sedate of the past and the swinger of the present. Between the sober and the swinger you have the sloucher. But I assure you, this is the way I wanted it done and this is the way the artist—and I should like to pay my tribute to him—insisted it should be done. He wanted to paint me not as Cromwell was painted, not warped, but wrinkled and old. He caught me in that easy pose where I am preparing to do what comes naturally—perhaps going out and rake the leaves, which is much better than being raked over the coals.

In referring to the costume and the picture generally, I might say that this was done by design on my part, as well as on the part of the artist. This reminds me of an American lady journalist—and when I tell you what she said you will agree that she was no lady—who once wrote a column about me. After giving space to my intelligence, achievement and character she ended up by saying, "As for his clothes, they look as if he speaks to them each morning before he goes to the office, and says 'if you want to come with me, hang on' ". This is the reason I was very careful to wear a short black coat and striped trousers this evening.

[*Translation*]

As the French say: C'est magnifique, mais ce n'est pas bon.

[*English*]

And I like it this way. It is customary on occasions like this also to say that the artist did wonderfully well considering the material he had to work on. I should like to put it this way: The artist had magnificent material and made the most of it. Anyway, if I do not perhaps in that picture look like a prime minister should, there are those who will say today that perhaps I was only a prime minister by accident. Mr. Diefenbaker would say, happily, I became the prime minister by accident.

Let me say that I like this picture and I want to add my thanks to the artist. I wish he could have been here with us today.

I am going to conclude my remarks by doing something which I think is right on an occasion like this. I am going to quote some

poetry. This was written in 1727 by a very well known man of his day who has had a revival in recent years. His name was John Gay, and he wrote the "Beggar's Opera". If Mr. Benson were here I could safely say that he is well acquainted with him.

John Gay in 1727 wrote a little jingle, about the artist who was asked to paint a picture of some lord. This is what he has the artist say, in poetic form, to the lord before he showed him the picture:

Those eyes, my lord, the spirit there,
Might well a Raphael's hand require,
To give them all the native fire.
The features, fraught with sense and wit,
You'll grant are very hard to hit,
But yet with patience you shall view,
As much as paint and art can do.

Then after the painting was shown to the lord John Gay wrote this about the artist:

"Observe the work", my lord replied,
"Till now I thought my mouth was wide,
Besides, my nose is somewhat long;
Good man, for me, it seems all wrong".
"Oh! pardon me (the artist cried)
In this we painters must decide.
The piece ev'n common eyes must strike,
And warrant it's extremely like."
My lord examined it anew,
No mirror now seemed half so true.
When thus happily he wrought,
Each found the likeness in his thought.

In my thoughts the likeness is admirable, and the honour of having it hung in the halls of parliament, as well as the honour of being with so many great Canadians in these sacred parliament buildings, is a very great one indeed. It makes me feel both humble and very proud. Thank you.

Mr. Speaker: On behalf of Mr. and Mrs. Pearson, the Pearson family, who are here today, I thank you for your presence here, ladies and gentlemen. On your behalf I offer again our warmest congratulations to Mr. and Mrs. Pearson, our warmest and sincere wishes for health, happiness and long life.

HOUSE OF COMMONS

Monday, October 28, 1968

The house met at 2.30 p.m.

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Gaston Clermont (Gatineau) moved that the second report of the standing committee on finance, trade and economic affairs presented to the house on Thursday, October 24, be concurred in.

Motion agreed to.

FISHERIES

ESTABLISHMENT OF FRESHWATER FISH MARKETING CORPORATION

Hon. Donald S. Macdonald (for the Minister of Industry, Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to regulate interprovincial and export trade in freshwater fish and to establish the freshwater fish marketing corporation; to provide that the corporation shall conduct its operations on a self-sustaining financial basis without appropriations therefor by parliament; to provide that the Governor in Council may authorize the Minister of Finance, under certain terms and conditions, to guarantee repayment of loans by banks to the corporation and to make loans to the corporation, the aggregate outstanding of amounts borrowed or loaned not to exceed five million dollars; to provide also for grants to the corporation, out of the consolidated revenue fund, not exceeding in the aggregate of one hundred thousand dollars to enable the corporation to meet initial operating and establishment expenses; and to provide further for other related and incidental matters.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

L'AFFAIRE ROSSILLON

Question No. 264—**Mr. Matte:**

Has the government taken any steps to settle the Rossillon Affair and, if so, what steps were taken?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As indicated by the Prime Minister in his statement in the House of Commons on September 16, the government has taken steps to make its position known to the French authorities, through the appropriate diplomatic channels, on the issues raised by Mr. Rossillon's visit.

HUDSON BAY COMPANY PRICES

Question No. 305—**Mr. Dumont:**

1. What is the price paid by Eskimos at Hudson Bay Company stores, at Fort Chimo, Cape Dorset and Arctic Bay, for tea, coffee, flour, cigarettes and cigarette tobacco?

2. What is the price paid by this Company to the Eskimos of the same areas for sealskins?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1.

	Fort Chimo	Cape Dorset	Arctic Bay
Coffee—1 lb. vacuum packed tin	$1.00	$1.08	$1.09
Tea—60 tea bags, top quality	.79		
Tea—1 lb. top quality		1.40	1.42
Flour—25 lb. sack	3.35	3.40	3.80
Cigarettes—20's regular	.55	.47	.47
Cigarette tobacco—½ lb. tin	2.25	1.90	2.00

2. Sealskins range greatly in value depending on size, quality and season. The average price paid at this time for sealskins is $7.50 each. It should be noted that non-Eskimos pay the same prices for food and are paid the same prices for sealskins as are Eskimos.

Questions

POST OFFICE EXTENSION, AMHERST, N.S.

Question No. 314—**Mr. Coates:**

1. On what date does the government intend to call tenders for the extension of the Post Office Building at Amherst, Nova Scotia?

2. What will be the extent of the extension to the present post office, will it require the purchasing of additional land and have steps been taken to acquire this land and, if so, from whom?

3. If additional land has already been purchased, from whom was it purchased and what was the amount or amounts paid for the land in question?

Hon. Arthur Laing (Minister of Public Works): 1. No firm date is yet established because a requirements study is under way.

2 and 3. As planning is not yet completed the need for additional land is still unknown. Property has already been purchased from A. A. Leslie for $16,773 as reported in reply to Question 602, November 13, 1967 (*Hansard* page 4177).

FEDERAL BUILDING CONSTRUCTION, AMHERST, N.S.

Question No. 317—**Mr. Coates:**

1. On what date does the government intend to call tenders for the construction of a new federal building at Amherst, Nova Scotia?

2. What was the initial date on which the government indicated tenders would be called for the construction of this federal building and why have delays been occasioned in calling for tenders?

Hon. Arthur Laing (Minister of Public Works): 1. Unknown, at this time, in view of changing space requirements.

2. It was tentatively set for the summer of 1968 but due to changes in the space requirements of client departments that date could not be met.

ATLANTIC DEVELOPMENT BOARD PROJECTS IN NOVA SCOTIA

Question No. 350—**Mr. Comeau:**

What amounts are earmarked by Atlantic Development Board for projects to be undertaken in the counties of Digby, Annapolis, Yarmouth and Shelbourne, Nova Scotia in the calendar years 1968 and 1969?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Anticipated expenditures for projects approved (not for those under consideration) are:

	1968	1969
	$	$
Digby	750,000	—
Annapolis	130,000	50,000
Yarmouth	208,000	200,000
Shelbourne	410,000	891,000

[Mr. Chrétien.]

*C.B.C. SERIES "QUENTIN DURGENS, M.P."

Question No. 352—**Mr. McCleave:**

What percentage of the cost of producing and telecasting each episode of Quentin Durgens, M.P., is paid by the sponsor?

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: It has not been customary to require the C.B.C. to disclose details of contractual arrangements between the corporation and sponsors of programs. Such information, if made public, would adversely affect the C.B.C. in the competitive business in which it is engaged.

CANCELLATION OF RADIO LICENCE, VANCOUVER

Question No. 354—**Mr. Valade:**

1. Did the B.B.G. transmit to the new Radio-Television Commission, its Executive Committee or any one of its members, the enquiry report which led to the dismissal of Pat Burns, the radio commentator, and to the suspension of the licence of the radio station in Vancouver which employed him?

2. In what year was this report requested?

3. What reasons were given for cancelling the operating licence of the radio station in question; what was the date of cancellation of the licence and what were the station's call letters?

4. Have any of the owners or principal shareholders of the station which had its licence cancelled, since obtained another operating licence and, if so, in whose name has such licence been issued?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Radio-Television Commission as follows: 1. The BBG files are available to the Canadian Radio-Television Commission.

2 and 3. The Board of Broadcast Governors held its forty-third public hearing in Vancouver, B.C. on March 23, 24, 25 and 26, 1965. The agenda included an application from CJOR Limited to operate station CJOR, Vancouver after March 31, 1965.

On April 8, 1965, the Board of Broadcast Governors announced its decisions which included the following: Vancouver, B.C.: Application by CJOR Limited for a licence to operate broadcasting station CJOR, Vancouver, B.C., after March 31, 1965.

Recommendation: (a) For Denial. (b) The board further recommends that the Minister of Transport grant a temporary authority,

which authority shall be subject to the provisions of subsection 5 of section 12 of the Broadcasting Act, to CJOR Limited to continue operating a broadcasting station on the frequency of 600 Kc/s with a power of 10,000 watts for a period not extending beyond October 31, 1965, and that in the interim the Minister of Transport accept applications from other persons for a licence to operate a broadcasting station, which would serve the city of Vancouver, B.C., using the frequency of 600 Kc/s.

Reasons: The board, having examined the record of performance, is not satisfied with the past operation of the station by CJOR Limited. The board has no confidence that CJOR Limited can as a licensee exercise sufficient supervision and direction of the station to ensure its operation in the public interest or compliance with the policy now proposed by CJOR Limited.

4. No.

NATIONAL PARK FOR QUEBEC

Question No. 356—**Mr. Dinsdale:**

1. Is the government negotiating with the Province of Quebec with a view to establishing a National Park in that Province and, if so, what area is under consideration?

2. When is it expected that an agreement will be reached?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes. The location of national parks, if there is agreement, forms part of the negotiations.

2. The negotiations are continuing at this time and we hope that the results will be unveiled very shortly.

BRIDGE REPAIRS, PARRSBORO, N.S.

Question No. 395—**Mr. Coates:**

Is it the intention of the government to effect repairs to the bridge leading to the breakwater at Parrsboro, Nova Scotia, and, if so, when will these repairs be carried out?

Hon. Arthur Laing (Minister of Public Works): No plans have been made to repair the bridge since an alternative route provides access.

TENDERS FOR CAMP MUSKWA, ALASKA HIGHWAY

Question No. 399—**Mr. Howard (Skeena):**

What is the name, address and amount bid by each person who tendered for the buildings and equipment comprising the former Department of Public Works property known as Camp Muskwa at Mile 295 on the Alaska Highway?

Hon. Donald C. Jamieson (Minister of Defence Production): Insofar as Crown Assets Disposal Corporation is concerned: Northern Equipment & Supply Company, c/o Mr. E. Pechet, 10625 Jasper Ave., Edmonton, Alberta, $177,100; Fort Nelson Lumber Co. Ltd., Fort Nelson, B.C., $151,900; Harbour Motor Sales Ltd., 4006 Dundas St. W., Toronto, Ontario, $121,121.21; Mr. E. Stricker, 2111-8th Ave. N.E., Calgary, Alta., $109,909; Skene Holdings Ltd., Ste. 103, 4595-Imperial St., Burnaby, B.C. Attn: Mr. J. Skene, $102,500; Edmonton Truck Parts & Eqpt. Co., 10356-61 Avenue, Edmonton, Alta. Attn: Wm. Smayda, $78,880; Fortier & Associates Services Ltd., 14410-118th Ave., Edmonton, Alta., $76,000; Sakundiak Farm Eqpt. Ltd., Rowatt, Sask. Attn: Mr. P. Sakundiak, $62,550; Mr. Don Cote, Box 151, Falher, Alta. Attn: Mr. Don Cote, $35,053.

PENAL STATISTICS

Question No. 401—**Mr. Coates:**

1. What is the total inmate population in all federal penal institutions in Canada at the present time and what was the total population in each of the years 1960-67, inclusive?

2. How many former inmates of federal penal institutions have been paroled in each of the years 1960-67, inclusive, and of the total number, how many (a) have broken parole (b) been returned to penal institutions, for each of the years involved?

3. What is the estimated annual cost of (a) maintaining an inmate in a federal penal institution (b) supervising a parolee?

4. Is there any difference in the estimated cost of maintaining an inmate in a maximum, medium and minimum penal institution and, if so, what is the difference in the cost for each type of institution?

Hon. G. J. McIlraith (Solicitor General): 1.

As of Date	Inmate Population
March 31, 1960	6,344
March 31, 1961	6,738
March 31, 1962	7,156
March 31, 1963	7,219
March 31, 1964	7,651
March 31, 1965	7,518
March 31, 1966	7,444
March 31, 1967	7,185
March 31, 1968	7,057
October 8, 1968	6,817

2.

Year	Federal Paroles Granted	Federal Paroles Violated	Returned to Custody
1960	1,192	238*	191*
1961	1,005	286*	256*
1962	885	251*	211*
1963	663	229	185
1964	751	176	146
1965	1,127	261	215
1966	1,114	258	202
1967	1,328	328	243

*Figures represent total numbers of parole violations and total numbers returned to custody in the years 1960-61 and 62. Statistics are not available for those years to show separately from the total figures the breakdown for inmates from federal institutions.

3. For fiscal year 1967-68: (a) $5,300.00 approximately; (b) $750.00 approximately.

4. Yes. For fiscal year 1967-68: Maximum security institution, $4,630 approximately; Medium security institution, $6,900 approximately; Minimum security institution, $4,390 approximately.

WORK DAYS LOST

Question No. 413—**Mr. Harding:**

For the calendar years 1963, 1964, 1965, 1966, 1967, 1968 to June 30th, how many recorded workdays and what percentage of the total were lost due to (a) unemployment (b) sickness (c) strikes or lockouts?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Labour, Manpower and Immigration, National Health and Welfare, Trade and Commerce and the Unemployment Insurance Commission as follows:

(a) and (b) Information not available.

(c)

	Man-days lost due to strikes and lockouts	
	Number	As a percentage of estimated working time of non-agricultural paid workers
1963	917,140	0.07
1964	1,580,550	0.11
1965	2,349,870	0.17
1966	5,178,170	0.34
1967	4,045,060	0.26
1968 January to June	2,760,220	0.35

[Mr. McIlraith.]

TAXATION OF SHAREHOLDER PENSION PLANS

Question No. 415—**Mr. Ritchie:**

1. Has the Minister of National Revenue issued a directive within the last ten days declining to accept for registration pension plans primarily for the benefit of shareholders and their families?

2. Will the Minister advise the House why this new policy has been inaugurated under which traditionally exempt pension plans would now be subject to taxation?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1. A statement along the lines of the one in question was included in a set of guide lines issued recently by the director, review and registration division, compliance branch, Department of National Revenue, taxation.

2. The guide line in question reinstates, in part, the administrative practice which prevailed until 1959, which denied registration to a pension plan covering only shareholder employees, the executive group or those in the higher earning brackets. The absence of this rule has facilitated tax avoidance. The guide line reflects the considered opinion of the departmental officials responsible for the registration of pension plans that a plan which primarily benefits the controlling shareholder and excludes other employees of a corporation cannot properly be regarded as an employees' pension plan for the purposes of the Income Tax Act.

FEDERAL PARTICIPATION, PANARCTIC OIL

Question No. 417—**Mr. Fortin:**

1. What is the Canadian Government's participation in Pan Arctic Oil Limited?

2. How many directors are appointed by the government and what is the name of each?

3. Does this private-public corporation report to Parliament?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Panarctic's initial financing involves $20,050,000, if which the government will provide a total

grant of $9,022,500 to be paid in fractional amounts over a minimum period of three years and for which the government has received a 45 per cent equity. Involved are 900,000 preferred shares at $10 par, purchased for $9,000,000 and 225,000 common shares at 10 cents each, issued for $22,500.

2. The government has appointed one director to the board of Panarctic Oils Ltd. The director representing the government is Mr. John A. MacDonald, deputy minister of the Department of Indian Affairs and Northern Development.

The board of Panarctic Oils Ltd. consisting of 14 directors, is composed of one director essentially in respect of each million dollars subscribed by an industry participant or participant group, one director representing all farmers having agreements with Panarctic, and the government's director. Panarctic's shareholders agreement provides that at the government's behest, the board shall be increased to 20 members and the government may increase its representation on the board to nine members, in accordance with its grant to Panarctic being 9/20th of the initial financing.

3. No. The management of Panarctic is responsible to its board of directors. Government control, as may be required, is effected by its representation on that board.

INCOME TAX APPEAL BOARD

Question No. 420—**Mr. Fortin:**

1. How many cases were heard by the Income Tax Appeal Board for each of the past three years?

2. For each of the past three years, how many appeals were lodged with the Exchequer Court (a) by the minister (b) by taxpayers?

3. Is it the intention of the government to implement recommendations of the Carter Commission concerning the reform of the Income Tax Appeal Board and legal processes in matters of taxation?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Revenue and Finance as follows:

		1965	1966	1967
1.		268	254	272
2. (a)		27	13	13
(b)	Direct appeals	100	67	200
	From decisions of the Tax Appeal Board	57	51	61

3. All recommendations of the royal commission on taxation are receiving careful consideration. The intentions of the government concerning particular recommendations of the commission will be made known when the government places its proposals for tax reform before parliament.

IMMIGRATION APPEAL BOARD

Question No. 421—**Mr. Fortin:**

1. Who are the members of the Immigration Appeal Board and what is the salary of each?

2. Since its establishment in 1967, how many appeals were lodged with the Board and, of these appeals (a) how many were rejected (b) how many were allowed?

3. Of the decisions of the Board, how many were appealed to (a) the Exchequer Court (b) the Supreme Court?

[*Translation*]

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): 1. The members of the Immigration Appeal Board are: Miss J. V. Scott, Chairman; Mr. J. C. A. Campbell, Vice-Chairman; Mr. J. P. Geoffroy, Vice-Chairman; Mr. J. A. Byrne, Member; Mr. J. P. Houle, Member; Mr. G. Legaré, Member; Mr. U. Benedetti, Member; Mr. F. Glogowski, Member; Mr. A. B. Weselak, Member.

The salaries fixed by the Governor in Council are as follows: Chairman, $22,000; Vice-Chairman, $21,000; Members, $19,000.

2. Since the Board commenced its functions on November 13, 1967 to the end of September 1968, a total of 994 appeals have been lodged with the Board.

The disposition of these appeals is as follows: Appeals Dismissed and To Deport, 355; Appeals Allowed, 23; Grant of landing directed, 12; Orders Quashed, 19; Execution of Order Stayed, 284; Decisions Pending, 32; Appeals to be Heard, 222; Appeals Withdrawn or Not Yet under the Board's Jurisdiction, 47; Total, 994.

3. Decisions of the Board are not appealed to the Exchequer Court. To-date one decision of the Board has been appealed and heard by the Supreme Court.

[*English*]

SALE OF BRIDGE, NOTRE DAME DU NORD, QUE.

Question No. 425—**Mr. Caouette:**

Has the government entered into negotiations for the sale of the bridge at Notre Dame du Nord, Que. and (a) if so, what stage has been reached in these negotiations, and with whom are they being conducted (b) if not, does the government intend to carry out the necessary repairs soon, or to replace the old bridge with a new one?

Questions

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): (a) Negotiations are presently underway with the Government of Quebec for the transfer of this bridge to the province. The province is presently studying the terms of the proposal to effect this transfer. (b) Not applicable.

[*English*]

INCOME TAX EXEMPTION FOR FLYING INSTRUCTION

Question No. 430—**Mr. Roberts:**

1. Has the government announced that it will not recognize the cost of solo flying time, mandatory for a commercial flying licence, as an educational expense for Income Tax purposes and, if so, when was this announcement made?

2. Have representations been received from pilot associations and flying club associations on this subject?

3. Is this decision under review and, if so, when will the results of the review be announced?

4. Are the expenses of accompanied flying instruction recognized as an educational expense for Income Tax purposes?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1. No. The costs of ground school training and flying training (dual and solo) incurred while a student is under instruction and enrolled in a course leading to a commercial pilot's license at a flying club or school which has been certified by the Minister of Manpower and Immigration to be an educational institution, constitute tuition fees which are deductible in computing income for purposes of the Income Tax Act. However, the costs of solo flying while the student is not under instruction but is gaining experience to meet the minimum number of hours necessary to obtain a commercial pilot's license are not considered to be "tuition fees" within the meaning of the act.

2. Yes.

3. No.

4. Yes. See Item 1 above.

ARDA PROJECTS, QUEBEC CONSTITUENCIES

Question No. 431—**Mr. Lefebvre:**

1. During the years 1965-66, 1966-67, 1967-68 and 1968-69 (a) what projects were undertaken under the Agricultural Rehabilitation and Development Act in the constituencies of Hull, Gatineau, Pontiac and Labelle (b) what are the projects and where are they located (c) what is the total cost of each of them and the share of the costs assumed by the federal and provincial governments respectively?

2. Did the Quebec government submit requests on behalf of one or more of the above-mentioned constituencies for other projects under the ARDA programme, for the years 1965-66, 1966-67, 1967-68 and 1968-69 and (a) which of these projects were approved (b) which were rejected (c) which are still under study?

[Mr. Caouette.]

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. (a) None. (b) Does not apply. (c) Does not apply.

2. Yes. (a) None. (b) 1965-66, None. 1966-67, Pontiac—Study of Indians related to Community Development. 1967-68, Pontiac—Park Development program in eight counties throughout Quebec. 1968-69, None to date. (c) 1965-66, None. 1966-67, None. 1967-68, Gatineau—Park Development of six provincial parks in various locations in Quebec. 1968-69, Pontiac—Park development including La Verendrye Park.

[*English*]

PUBLIC WORKS PROJECTS, RICHMOND CONSTITUENCY

Question No. 435—**Mr. Beaudoin:**

What capital public works projects does the federal government intend to carry out in the constituency of Richmond during the years 1968, 1969 and 1970?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works):

Location and description	1968-69 $	1969-70 $
Bromptonville		
Addition to Post Office	21,200	
Disraeli		
Improvements to Federal Building	6,200	
Ham Nord		
Construction of Post Office Building	5,200	20,000
Richmond		
Federal Building—Improvements to lighting and air treatment	35,700	3,000
St. Adolphe de Dudswell		
Construction of Post Office Building	16,100	
Windsor		
Federal Building—Air treatment and electrical improvements	12,100	
Weedon		
Fencing		200

[*English*]

UNEMPLOYMENT INSURANCE PAYMENTS

Question No. 451—**Mr. Clermont:**

What amounts were paid under the Unemployment Insurance Act, in each province, in 1967 and what was the balance in the Unemployment Insurance Fund on December 31, 1967?

[*Translation*]

Hon. Bryce Mackasey (Minister of Labour): The Unemployment Insurance Commission advises:

UIC Benefit Payments in Dollars
By Province
Calendar Year 1967

Nfld.	19,664,041
P.E.I.	3,162,665
N.S.	18,152,170
N.B.	17,387,518
Que.	111,970,648
Ont.	108,050,960
Man.	11,537,924
Sask.	8,809,612
Alta.	13,195,769
B.C.	40,714,012
Total	352,645,319

Balance in Fund on 31 December, 1967: $369,641,146.33.

[*English*]

FISHERIES IMPROVEMENT LOANS ACT, NEWFOUNDLAND

Question No. 460—**Mr. Carter:**

What is the total number of applications received from Newfoundland fishermen for assistance under the Fisheries Improvement Loans Act since its inception and how many loans were actually made?

Hon. E. J. Benson (Minister of Finance): Application for these loans is made to a chartered bank or credit union. The lender determines, within the act and regulations, whether a loan may be granted. Refusal of applications is not reported to the federal authorities and hence data on the number of applications which have been made are not available to the federal government. A total of 18 loans for $23,003 have been made under the act to Newfoundland fishermen since its inception to August 31, 1968.

WOOD BUFFALO NATIONAL PARK BOUNDARIES

Question No. 462—**Mr. Yewchuk:**

Are active negotiations underway between the federal and the Alberta governments concerning the Wood Buffalo Park boundaries and is an agreement imminent?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): No, however, it is anticipated that discussions with the province of Alberta will be resumed in the near future. It is not possible to state when agreement will be reached at this time.

COMMEMORATIVE MARKER, LITTLE BRAS D'OR, N.S.

Question No. 464—**Mr. Muir (Cape Breton-The Sydneys):**

1. Has land been acquired as yet for the erection of a marker at Little Bras d'Or, Nova Scotia to commorate Count de la Boularderie and, if so, where will such a marker be located?

2. When will such a marker be unveiled?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Acquisition of land for erection of a marker to the Boularderie's at Little Bras d'Or, Nova Scotia, has not yet been consummated. Satisfactory completion of negotiations now in progress will determine the location.

2. This answer depends on the date of completion of the land acquisition.

FEDERAL BUILDING, DARTMOUTH, N.S.

Question No. 486—**Mr. Forrestall:**

1. What steps have been taken by the government to construct a new federal building in Dartmouth?

2. What is the estimated cost of such a building including cost of land and where is the intended location?

3. When will tenders be called?

Hon. Arthur Laing (Minister of Public Works): 1, 2 and 3. Planning for the construction of a new federal building in Dartmouth has commenced but is not yet developed to the point where dates or location can be given. Estimated costs could not be revealed even if they were known at this time because it is not customary to give these costs before tenders are called and a contract awarded.

MAINTENANCE OF MOUNT KOBAU FACILITIES

Question No. 491—**Mr. Anderson:**

Are the facilities on Mt. Kobau, in particular the site testing equipment and the access road, being maintained and, if so (a) how many men are employed on this maintenance (b) what are the qualifications of these men?

Questions

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Yes. (a) Four. (b) One man was responsible for supervising the road construction and the installation of the site-testing equipment. He has been involved in the project since its inception and is now responsible for the maintenance in both areas. Two men are labourers who have been trained under him and the fourth is a skilled mechanic with years of experience as an astronomical observer.

EXCESS CONTRIBUTIONS UNDER PENSION PLAN

Question No. 493—**Mr. Dionne:**

What is the amount of excess contributions deducted from Canadian citizens since the Canada Pension Plan came into force and what amounts have been reimbursed to date?

Hon. Jean-Pierre Côté (Minister of National Revenue): The amount of excess contributions deducted from Canadian citizens since the Canada Pension Plan came into force is not available. Refunds totalling $23,776,479.18 had been made as at September 11, 1968.

BUD WORM INFESTATION, NEW BRUNSWICK

Question No. 503—**Mr. Flemming:**

Referring to Question 326, has the Government of Canada had their attention drawn, by any interested person, corporation, Crown corporation or any source whatsoever in New Brunswick, to the serious danger of another large scale bud worm infestation developing in the forests of New Brunswick with consequent serious damage, unless spraying operations are carried out during the spring of 1969, preparations for which must be made during the winter of 1968-69?

Mr. E. J. Whelan (Parliamentary Secretary to Minister of Fisheries): Yes.

PFRA PAYMENTS, PRAIRIE PROVINCES

Question No. 508—**Mr. Horner:**

1. How much money was spent on PFRA in the Provinces of Manitoba, Saskatchewan, and Alberta in the fiscal years 1965-66, 1966-67 and 1967-68?

2. How much money does the department propose to spend on the Provinces of Manitoba, Saskatchewan, and Alberta in the fiscal year 1968-69 in PFRA payments and will these expenditures be more or less than that amount spent in any one of the previous years?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1.

		Manitoba	Saskatchewan	Alberta
	1965-66	$2,492,650	$27,928,453	$3,396,785
	1966-67	$3,202,939	$19,640,213	$2,820,239
	1967-68	$5,085,328	$14,544,698	$3,177,315
2.	1968-69 (estimated)	$7,122,400	$10,192,600	$2,732,000

FLYING ACCIDENTS, BRITISH COLUMBIA

Question No. 510—**Mr. Howard (Okanagan Boundary):**

1. From January 1, 1958, to date (a) how many aircraft have been the subject of search operations in that part of southern British Columbia bounded by the 49th parallel of latitude and a parallel line through the City of Vernon, British Columbia (b) how many lives have been lost in these flying accidents and how many persons have been rescued (c) how much has the Government of Canada spent on such searches through the Air Sea Rescue Service and as financial assistance to civilian search craft (d) what loss of life or injuries have been sustained by search personnel?

2. What is the cost of the most recently designed homing beacon device (such as SARAH)?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. From January 1, 1958 to August 31, 1968 (a) 44; (b) 92 persons were involved of whom 43 definitely are known to have lost their lives, 26 were rescued and 23 still are missing; (c) as order in council P.C. 1962-13/653, dated 2 May, 1962, stipulates that no fee will be charged for humanitarian assistance, specifically search and rescue, no record of costs of individual searches are maintained; (d) one person has been killed and three slightly injured.

2. There are numerous homing beacon devices on the market ranging in price from approximately $150 for portable survivor operated beacons to several thousand dollars for more sophisticated crash position indicators which are attached to the aircraft and

operate automatically on impact in the event of a crash.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CHARGES UNDER COMBINES ACT

Question No. 65—**Mr. Howard (Skeena):**

Since January 1, 1963 have any charges been laid for infractions of the Combines Investigation Act and, if so, by name and address of the person, organization, company or group so charged what was (a) the nature of the charge (b) decision of the courts (c) the current position of each case (d) the amount of any fines levied (e) the term of any jail sentence imposed?

Return tabled.

LANGUAGE QUALIFICATIONS, CROWN CORPORATION EMPLOYEES

Question No. 98—**Mr. Fortin:**

In each of the Proprietary Crown Corporations, what is the number of employees (a) who speak French only (b) who speak English only (c) who are bilingual?

Return tabled.

TOTAL UNEMPLOYED AND UNEMPLOYED STUDENTS

Question No. 171—**Mr. Orlikow:**

1. What was the number of unemployed in each province of Canada in May, June, July, August of 1966, 1967, 1968?

2. What was the number of High School and University students unemployed in each province of Canada in May, June, July and August of 1966, 1967, 1968?

Return tabled.

ARDA PROJECTS IN BRITISH COLUMBIA

Question No. 388—**Mr. Harding:**

1. What projects have been undertaken under the Agricultural Rehabilitation and Development Act in (a) the Province of British Columbia (b) the federal constituency of Kootenay West for the fiscal years 1965-66, 1966-67, 1967-68, 1968-69 and what was the contribution towards these projects by the federal government and the provincial government?

2. Have requests been received from the Province of British Columbia on behalf of some areas in the constituency of Kootenay West to undertake further projects and, if so, (a) when will these projects be carried out (b) what type of project will be involved in each program (c) how much money will be appropriated for each of these projects and (d) how will it be shared?

Return tabled.

Inquiries of the Ministry

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if the parliamentary secretary to the President of the Privy Council would inquire why it is taking so long to get an answer to question No. 4, having to do with the pensions of retired civil servants.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I will, Mr. Speaker.

EXTERNAL AFFAIRS

NIGERIA—TERMS OF REFERENCE OF OBSERVER TEAM

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I have a question for the right hon. Prime Minister. I ask it at the risk of sounding like a pious bleeding heart, which is a classification the Prime Minister now has made. Will the right hon. gentleman check whether a condition of Canada accepting a place on the observer team in Nigeria, that of being able to make its own decisions about what it wanted to see and what route the team would take to get there, is being adhered to?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker.

Mr. Fairweather: Will the Prime Minister agree that the attempt by the observer team to seek the village where 500 died was a legitimate objective of the team, and will Canada seek assurance from Nigeria that our representative on the team is not subject to the threat of a whipping by Colonel Adekunle?

Mr. Speaker: The first question is probably argumentative. The second question is in order.

Mr. Trudeau: I was about to say yes to the first part of the question, Mr. Speaker. In respect of the second part, I think it is partly facetious. The part about whipping certainly is not a serious question.

EXTERNAL AID

BIAFRA—REPORTED OFFER OF HERCULES AIRCRAFT BY CANADIAN COMPANY

On the orders of the day:

Mr. David Lewis (York South): I have a question on the same subject, Mr. Speaker. May I ask the Prime Minister whether he is aware of an offer by Pacific Western Airlines

to dispatch that company's Hercules planes to assist in the delivery of supplies to Biafra? If so, what is the government doing to encourage and assist this company in giving its aid in this way?

Right Hon. P.-E. Trudeau (Prime Minister): I am not aware of this offer, but I recall having said several weeks ago that there were other Hercules planes apart from those under Canadian government colours, and that if the churches or the Red Cross could charter these I would consider it to be a very welcome step.

Mr. Lewis: In view of reports that our Hercules planes are now ready to fly from Fernando Po into Biafra with supplies, can the Prime Minister inform the house whether our planes have landed at Fernando Po and will be able to take off, in view of some information that there may be a strike of air traffic controllers on the island?

Mr. Trudeau: With regard to the last part of the question concerning labour troubles in Fernando Po, I must say that I have no information. I do know, however—and I believe the house has learned of this over the week end—that we have finally had clearance from the Guinean authorities and will be able to land at and fly from Fernando Po. We sent an external affairs official from one of our European posts to Fernando Po. He will be there to clear up any matter that might involve government information or decision. He is there now. One plane has actually landed there. It was brought in I believe from Ascension island, and has been made operationally ready to fly.

Mr. Lewis: I have a supplementary question for the Minister of National Defence. Can the minister inform the house whether among the supplies carried by the Hercules there is self contained ground control radar equipment which is badly needed at the airstrip at Uli? If not, would he be prepared to have such dispatched to the airstrip so it could be used to assist in the landing of planes there.

Hon. Leo Cadieux (Minister of National Defence): I do not know whether such a unit was on board the supply plane. I will check to find out whether this is necessary. If it is, surely we can supply it.

Mr. G. W. Baldwin (Peace River): I have a further supplementary question. If necessary the minister may take this as notice. I wonder whether he can advise the house now if it is a fact that the Hercules aircraft are equipped to make a drop of supplies in Biafra and could quite effectively do so.

Mr. Cadieux (Labelle): Yes, of course they are equipped to make a drop, but the purpose of the operation is not to make a drop but to land and get down with something like 20 tons each trip.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to ask the Prime Minister what cargoes are contemplated for the return flights once the food cargoes are permitted into Nigeria. Has there been any consideration as to cargoes for return flights?

Mr. Trudeau: Mr. Speaker, there has been no consideration of which I know. I do not know whether the hon. member has anything in mind, but I suppose if any Canadian families or church groups were to volunteer to adopt Nigerian children, that might be contemplated.

Mr. Rose: Mr. Speaker, I was wondering whether the government had considered flying Biafran children out of the areas of hostility and establishing areas for the treatment of malnutrition outside these hostile areas of Biafra.

Mr. Trudeau: This is another suggested purpose for which I suppose the government would be prepared to use the planes if they were being flown out without any cargo, but this is the kind of initiative that perhaps churches or individual Canadians might want to take.

NATIONAL SECURITY

REPORTED STATEMENTS BY U.S. NATIONAL AT UNIVERSITY OF BRITISH COLUMBIA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct my question to the Minister of Justice. It has to do with a United States revolutionary who spoke at the University of British Columbia. I refer to Jerry Rubin. Has the minister or the mounted police, who are subject to his direction, endeavoured to ascertain why it was that this individual appeared on the C.B.C. on October 23 and stated, among other things, that he not only wore the Viet Nam flag around his neck but crossed into Canada carrying live machine gun ammunition? Furthermore, I should point out that he said he recommended that Canadians remove this government and overthrow it.

I should like to know how such a person gets through immigration and comes into Canada. Everybody knows his record in endeavouring to foment revolution, or, in any event, dissension which will lead to revolution. What has the minister done about this, and would it be possible to communicate with the C.B.C. to ascertain whether such a person should be denied the free publicity which the C.B.C. provides?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, without in any way treating the matter frivolously, the right hon. gentleman has asked me questions which apply to three or four departments. In so far as the Department of Justice is concerned, we have received no communication from the attorney general of British Columbia on the subject. If the right hon. gentleman wants to pursue the question as it relates to the Royal Canadian Mounted Police, my colleague the Solicitor General is in his place. I might say in terms of revolutions, we had a very successful one on June 25.

Mr. Diefenbaker: That was not a revolution; it was a catastrophe.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, let me direct my question to the next minister who is here in an endeavour to obtain his views regarding this matter.

Mr. Speaker: I hope the right hon. gentleman is not only asking for the minister's views. He should be asking for whatever information the minister can give at this time.

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I should be very glad to take the question as notice, because as it is posed it is really a statement giving a lot of information certain parts of which I did not have before. I will be glad to look at the whole form of the question and bring forward an answer on the part of it which relates to this department.

Mr. Diefenbaker: The minister is always very explicit.

CRIMINAL CODE

INQUIRY AS TO CONSIDERATION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the President of the Privy Council. In the statement he made on the week end he spoke about the amendment to the Criminal Code with reference to birth control. Is the government now contemplating dividing and separating the omnibus bill with reference to amendments to the Criminal Code?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, if the hon. member would consider Bill S-22 of the last session, which contained the amendment in question, he will find that this was not in the omnibus Criminal Code bill but was in what was then known as the omnibus health bill. I expect that the bill will be introduced in the other place some time this week.

Mr. Woolliams: A supplementary question to the Minister of Justice, Mr. Speaker. When will the amendments to the Criminal Code be brought in? Will it be before the Christmas recess?

Hon. John N. Turner (Minister of Justice): Yes, Mr. Speaker.

RESEARCH

REQUEST FOR REPORT ON PROPOSED QUEEN ELIZABETH OBSERVATORY

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the right hon. Prime Minister. Arising out of a question asked previously in the house and statements by ministers to the effect that the matter was under consideration, would the Prime Minister say whether a decision has yet been made as to the tabling of the study on the Queen Elizabeth telescope project?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I wonder whether the hon. member would ask that question when the Minister of Energy, Mines and Resources is in the house.

ROYAL CANADIAN MOUNTED POLICE

REPORTED CRITICISM BY MANITOBA SUPREME COURT JUDGE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Solicitor General, notice of which I have given him. I would like to ask the minister whether he is giving consideration to criticism of the R.C.M.P. made in Winnipeg by Mr. Justice Freedman concerning the case of Mr. Arthur Percy Leon Ballegeer, in which the judge said that an R.C.M.P. constable had succeeded in "wilfully . . . frustrating the due process of

law. What the constable did was wrong and unjustifiable."

Mr. Speaker: Order, please. I would think the question could be placed on the order paper, unless there is in it an aspect of urgency which is not apparent to me at the present time.

[*Translation*]

ARTS, LETTERS AND SCIENCES

CULTURAL AID TO FRENCH SPEAKING CANADIANS OUTSIDE QUEBEC

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

In the light of the statement made last week by the Secretary of State (Mr. Pelletier), could we know whether the proposed special government program to give cultural assistance to the French-speaking minorities in Canada will require the passing of new legislation?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I cannot reply to that question; we are in the process of considering the ways in which this assistance to the minorities can be efficient. It may be that we will require special legislation, under the terms of existing legislation. One thing is sure: we certainly do not want to go about it in a way which could be considered as tampering with the constitution.

Mr. Ricard: Mr. Speaker, I should like to put a supplementary question to the hon. Prime Minister.

Have all the interested provinces been consulted in this regard?

Mr. Trudeau: No, Mr. Speaker.

[*English*]

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, will a similar program be established for English language groups which are in a minority position in the various bilingual districts?

Mr. Trudeau: Mr. Speaker, this is a program which will not necessarily be tied to the concept of bilingual districts. It is something the Secretary of State is exploring on his own. That is why I answered to the previous question that it may be done independently of any legislation. If it can be done under present agencies or present arrangements, it might be done in that way.

[Mr. Orlikow.]

Mr. George Muir (Lisgar): A supplementary question, Mr. Speaker. Did the Prime Minister express the hope that the province of Manitoba would participate in an imminent meeting of the Canada-France joint cultural commission, and has the government of Canada consulted with the government of Manitoba regarding participation by that province in this meeting of the cultural commission?

Mr. Trudeau: On this particular meeting I would have to find out, Mr. Speaker. I know it has been the declared policy of this government, and it was stated quite clearly in our white paper published last February, that when we do have commissions or delegations which are dealing with subjects that are partly of concern to the provinces, we try to get representatives from the provinces to assist as members of the Canadian delegation. In the Manitoba case I will have to inquire.

INDIAN AFFAIRS

REPORTED STATEMENT BY MINISTER RESPECTING SELF DETERMINATION

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the right hon. Prime Minister. Was the Minister without Portfolio stating government policy over the week end when he stated in effect that the Department of Indian Affairs and Northern Development should get out of the way of self determination of the Indian people?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, this aspect of government policy has not been defined as yet, but I would say that if this is what the minister said it sounds like a very nice idea.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary question for the Prime Minister. Would he encourage an investigation of the Department of Indian Affairs and Northern Development by a committee of Indians, as was suggested by an Indian spokesman over the week end?

Mr. Trudeau: My apologies to the hon. member, but would he please ask the question again?

Mr. Southam: Would the Prime Minister encourage an investigation of the Department of Indian Affairs and Northern Development by a committee of Indians, as was suggested by an Indian spokesman over the week end?

Mr. Trudeau: No, Mr. Speaker.

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a supplementary question, Mr. Speaker. Since the Prime Minister accepted the statement made by the minister as probably being a good idea, and since the latter is one of the ministers in charge of that particular department, why does the Prime Minister not ensure that the minister gets the department out of the way and lets self determination take place?

Mr. Speaker: Order, please.

Mr. Yewchuk: I had a supplementary question also intended for the right hon. Prime Minister, but since Mr. Speaker ruled the previous question out of order I will not put it.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Max Saltsman (Waterloo): I should like to direct my question to the Prime Minister and ask the right hon. gentleman whether his hint in Halifax of solicitude for the rich in a reduction of the income tax constitutes a cabinet leak, and if so what disciplinary action will he take against himself?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, it does not constitute a cabinet leak because there has been no decision on that matter in the cabinet, but I do like to throw out ideas for discussion.

Mr. G. W. Baldwin (Peace River): I should like to direct a question to the President of the Privy Council. While his colleagues are pursuing their arduous and difficult explorations in the south, is it his intention to issue a third edition of this unmentionable document to fill in the blank spaces?

Hon. Donald S. Macdonald (President of the Privy Council): I am glad the hon. member has found the document so useful. I appreciate his acceptance of the general technique involved, and I will be glad to assist him in any way with necessary changes.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question—

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

Mr. MacInnis (Cape Breton-East Richmond): No, a related one.

Mr. Speaker: I would rather hear a supplementary question than a related question.

NATIONAL DEFENCE

POSSIBLE CLOSING OF SOME RESEARCH STATIONS

On the orders of the day:

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of National Defence in view of the statement by the chairman of the Defence Research Board to the effect that the board may have to close some of its eight research stations, and in light of the fact that research projects sponsored by the board during the last number of years have resulted in a great many valuable contracts for Canada. Can the minister assure the house that this penny wise and pound foolish course will not be followed?

Mr. Speaker: Order, please. I am not sure that this is an urgent matter. It seems to me that it could be placed on the order paper.

Mr. MacLean: Mr. Speaker, I have a related question which I would like to address to the Prime Minister in the same general field. I did not want to say it was a supplementary question, sir, because you cast some doubt on the validity of my first question.

I would ask the Prime Minister whether he or one of his ministers would be prepared to make a statement on the very important policy question concerning the future of Canadian scientific research, in the light of the rather disturbing evidence that was given in the Senate committee on science on this matter.

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker; that is a very important subject and we are working on it very actively. It is a matter of seeing in what way the cabinet secretariat or the Privy Council office can be reorganized to help us formulate a more efficient science policy and to make sure that we can work hand in hand with the science council. I have had meetings with the president and vice president of the science council, and I am having another meeting today. The hon. member will be pleased to hear that a new report of the science council will be given to me today and will be made public in the very near future.

Inquiries of the Ministry

AIR CANADA

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): I would like to address a question to the right hon. Prime Minister. In view of the Prime Minister's statement to a startled and crestfallen meeting of his party in Halifax on Saturday to the effect that patronage is now dead so far as his government is concerned, does the government intend to adhere to this very fine principle when making the appointment of the president of Air Canada in the near future?

Mr. Speaker: Order, please. The Prime Minister might wish to reply to the question without referring to the introductory remarks of the hon. member.

Mr. Hees: I will skip the introductory remarks.

Mr. Speaker: Order, please. The hon. member has asked a question.

Right Hon. P.-E. Trudeau (Prime Minister): I can understand the hon. member's concern. I would say the audience was startled; they were not crestfallen but startled, because this is not usual in Nova Scotia.

Mr. Hees: Mr. Speaker, I have a supplementary question. Since this very unexpected but welcome turn of events has taken place, may we now expect appointments to be made to the Senate from parties other than the Prime Minister's?

Mr. Speaker: Order, please. This is not a supplementary question but it is a related question.

Mr. Hees: I rise on a point of order, Mr. Speaker. There are a great many people in the country who would like to hear the answer.

Mr. Speaker: Perhaps the hon. member might place the question on the order paper.

Mr. Ed Schreyer (Selkirk): I should like to ask the Prime Minister, if he is not in a position to make a statement concerning the appointment of the president of Air Canada can he at least inform the house whether it is the intention of the government to divide the executive function between a president and a chairman of the board?

Mr. Trudeau: I do not think it would be proper for me to make this announcement. This is something that will be considered with the board itself, and will be considered in the light of the names that will be recommended by the board for appointment. I can say to the house now what I have said before, that I have been very actively engaged in seeing possible candidates, not all of them Liberals, for such an appointment. We expect to be able to act very soon, and the action we will take on the names will be related to the action we take on the restructuring of the executive and the board itself.

[Mr. Trudeau.]

Mr. Hees: A further supplementary question. Was that the reason for the long line-up in front of the Prime Minister's office this morning?

PUBLIC SERVICE

REQUEST OF PROFESSIONAL INSTITUTE FOR MEETING WITH PRIME MINISTER

On the orders of the day:

Mr. G. W. Baldwin (Peace River): I have another question for the Prime Minister, Mr. Speaker, which arises from the right hon. gentleman's answer to a question asked on Wednesday by the Leader of the Opposition. The Prime Minister said that in due course he would reply to the Professional Institute of the Public Service of Canada indicating whether he would grant an interview. Can the Prime Minister give a firm undertaking today that he will grant this delegation an opportunity to discuss the problems raised in their letter?

Right Hon. P.-E. Trudeau (Prime Minister): In my answer last week I indicated I would study the first part of the question after I had heard from the various governmental departments that seem to be implicated in the letter. I have had no such reply yet.

Mr. Baldwin: Does the Prime Minister not feel that in view of the fact this organization represents some 12,500 public servants, his reluctance to meet them might be destructive of morale in the public service?

Mr. Trudeau: I do not think so. In view of the fact the letter was sent to me one day and appeared in the press the next day, I thought perhaps the president of the institute was merely trying to make a point. If he made it, then I am in the process of finding out whether the point was well made or not.

ADMINISTRATION OF JUSTICE

REQUEST FOR LEAVE OF ABSENCE FOR YUKON TERRITORIAL JUDGE

On the orders of the day:

Mr. Randolph Harding (Kootenay West): I should like to address a question to the Minister of Justice. It is a follow-up to one on which he gave a partial answer about two weeks ago. Has the Department of Justice resolved the problem relating to Judge Parker's chairmanship of the mediation commission in British Columbia? If so, what has been the outcome?

Hon. John N. Turner (Minister of Justice): I have asked Judge Parker to tell me what he intends to do, whether he intends to accept the chairmanship of the mediation commission in British Columbia or whether he intends to remain a judge of the Yukon territorial court. I expect to have an answer.

THE MINISTRY

REPORTED DISAGREEMENT RESPECTING SOCIAL DEVELOPMENT TAX

On the orders of the day:

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a question for the Prime Minister. Has the Prime Minister investigated the breakdown in cabinet secrecy which has resulted in the publication of discussions held in cabinet prior to the presentation of the budget, concerning the ceiling placed on the 2 per cent social development tax?

Right Hon. P.-E. Trudeau (Prime Minister): What makes the hon. member think anything that actually happened was leaked, Mr. Speaker?

Mr. MacInnis (Cape Breton-East Richmond): I would call your attention to the fact, Mr. Speaker—

Mr. Speaker: Order, please. I think we have the roles reversed. I do not believe that the government can ask questions of the opposition.

Mr. MacInnis (Cape Breton-East Richmond): On a point of order, Mr. Speaker. Apparently the Prime Minister has forgotten that it was he who mentioned it, not I. Since the report was widely publicized that cabinet ministers reacted against the $120 ceiling, I would ask the Prime Minister who amongst his cabinet are the reform minded ministers.

Mr. Speaker: I am sure the hon. member will recognize that the question as asked is not in order.

Mr. Baldwin: I rise on a point of order, Mr. Speaker. I should like to advise that the hon. gentleman is on our daily roster.

SPORTS

RECOGNITION OF ACHIEVEMENTS OF CANADIAN TEAM AT OLYMPIC GAMES

On the orders of the day:

Mr. Barry Mather (Surrey): I wonder if I could address a question to the right hon. Prime Minister, Mr. Speaker. Having in mind the achievements under difficulties of Canada's Olympic team, will he consider making some gesture of recognition to them for their efforts?

Right Hon. P.-E. Trudeau (Prime Minister): Well, I am very pleased today to make at least the gesture which is suggested by the hon. member and say that the Canadians who performed down there did a very good job, the best they could to represent Canada. As to any further recognition, I shall be glad to discuss the matter with the Minister of National Health and Welfare.

[*Translation*]

VOCATIONAL AND TECHNICAL TRAINING

REQUEST FOR INCREASED ALLOWANCES FOR MARRIED PERSONS

On the orders of the day:

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I should like to put a question to the hon. Minister of Manpower and Immigration.

In view of the many representations I have received from the voters in my riding, could the hon. Minister of Manpower and Immigration tell the house whether he intends to raise the indemnity given to married people enrolled in retraining courses according to the number of dependents they have?

Mr. Speaker: I think the question could be put on the order paper and, if it is urgent, the hon. member could give me notice of the question, if he wishes to discuss it on the adjournment debate.

[*English*]

EXTERNAL AFFAIRS

INQUIRY AS TO DIPLOMATIC RELATIONS WITH THE VATICAN

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Prime Minister. May I ask the right hon. gentleman whether an appointment to the Vatican having ambassador status or the equivalent is imminent?

Inquiries of the Ministry

Right Hon. P.-E. Trudeau (Prime Minister): There is a lot of static on my machine. Could I hear the question again?

Mr. Muir (Cape Breton-The Sydneys): May I ask the Prime Minister whether an appointment to the Vatican, having ambassador status or the equivalent, is imminent?

Mr. Trudeau: This is part of our review of external affairs, Mr. Speaker. It is an idea that we have been considering, but there is no imminent announcement to be made in connection with the matter.

NIGERIA—CONSULTATIONS RESPECTING CEASE FIRE UNDER UNITED NATIONS

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): On Friday, Mr. Speaker, I gave the Prime Minister a list of countries and asked if the Canadian government had been consulting them about possible action in the United Nations. I wonder if the Prime Minister has an answer. I might add at this point that after very careful consideration I am no longer interested in the reply of the government of the Gold Coast.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am glad the hon. member has cleared up the matter of his antiquated geography. With regard to the other states, there have been discussions between representatives of these countries and representatives of Canada at the United Nations. We now learn from them that the position is that they are not recommending any action in this regard. Apparently some of the officials at the UN representing other countries might have said at one point that they thought something should be done by way of a cease fire. However, my information now is that none of these countries, excepting of course those who recognize Biafra, are recommending that we propose a cease fire in the United Nations.

Mr. Broadbent: A supplementary question, Mr. Speaker. Is the government of Canada considering taking action through the third committee of the United Nations?

Mr. Trudeau: Under what heading, Mr. Speaker?

[*Later:*]

Mr. David Lewis (York South): Mr. Speaker, in relation to the question asked of the Prime Minister earlier, may I ask him whether the representatives of Canada at the United Nations are discussing with representatives of other nations the possibility of raising the Nigerian-Biafran tragedy through the means of the third committee, which is concerned, as I am sure he knows, with social, humanitarian and cultural affairs. The question could be raised under any heading like the suffering of children, the death of children, and related conditions that are now a fact in Nigeria and Biafra.

Mr. Speaker: Order, please. Will the hon. member ask his question?

Mr. Lewis: I did, Mr. Speaker. The right hon. gentleman suggested earlier that he did not know how the matter could arise in the third committee, and in my question I thought I would indicate how easily it could arise.

Mr. Speaker: Order, please.

DOMINION-PROVINCIAL RELATIONS

CHURCHILL, MAN.—NEGOTIATIONS ON DEVELOPMENT OF TOWN SITE

On the orders of the day:

Mr. George Muir (Lisgar): I have a question for the right hon. Prime Minister. Has he anything further to report on the question asked by the hon. member for Churchill on October 17, in connection with negotiations between the Manitoba government and the federal government concerning the development of a townsite at Churchill, Manitoba?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I have something to report on that. I am not sure whether it is a repetition of something I said a few days ago, but in any event I will say it now in this place.

After having met the premier of Manitoba, there was an exchange of correspondence. I wrote to him indicating that certain proposals that had been made by him were under review by us. If in the meantime he wanted to communicate with anyone in the federal government, I gave him the channels through which there might be further discussion.

I do want to make it clear that the ball is now in our court and that the cabinet will be receiving from the Minister of Public Works, very soon according to my information, proposals about measures that can be taken with regard to the city of Churchill.

I hope nothing in my previous answer left the impression that we were waiting for the government of Manitoba to act. I want to make it clear we hope to come forth with some proposal very soon.

ATOMIC ENERGY

REQUEST FOR TABLING OF AGREEMENT BETWEEN FRENCH AND CANADIAN AGENCIES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Prime Minister. Will the Prime Minister give consideration to making public the non-secret portions of the agreement concerning exchange of nuclear power information between Canada and France? If not, could a statement be made about the reason for non-publication of the agreement?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, this matter was dealt with several days ago by the Minister of Energy, Mines and Resources. I will ask him whether he has anything further to add.

Mr. Aiken: Mr. Speaker, I am not satisfied with the answer, and I will debate the matter at ten o'clock.

BUSINESS OF THE HOUSE

REQUEST FOR CONSIDERATION OF AUDITOR GENERAL'S REPORTS BY PUBLIC ACCOUNTS COMMITTEE

On the orders of the day:

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to address my question to the President of the Privy Council in his position as house leader. Is it the intention of the minister to refer the last two reports of the Auditor General and the public accounts of Canada to the standing committee on public accounts?

Hon. Donald S. Macdonald (President of the Privy Council): First of all, Mr. Speaker, I should like to congratulate the hon. member on his re-election as chairman of the committee.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I hope to be in a position to make an announcement in the house in a few days with regard to the proposed business for the committee.

EXTERNAL AID

BIAFRA—REQUEST THAT FOOD SUPPLIES BE RESTRICTED TO CIVILIAN POPULATION

On the orders of the day:

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I should like to direct a question to the Prime Minister. As the urgent concern of all Canadians is presently directed to Biafra, and as no evidence to my knowledge has been presented by the official observation team or the self-styled experts indicating starvation among the members of the Biafran army, can the secretary of state or the Prime Minister assure this house and the Canadian public that Canadian food being airlifted to Biafra in Canadian armed services aircraft will be supplied only to the starving civilian population and not commandeered by the army to be used to further the war effort?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I will take this question as very important notice to the minister for external affairs.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, since the Prime Minister has been explaining some of the confusion that arose in Halifax, could he tell the house whether it was a cabinet leak when he allegedly asked, in answer to a request from a group that waylaid him—and I am not in any way approving of that—whether they would in fact have supported the sending of food supplies to Nazis who were starving during the war at Stalingrad? May I ask the Prime Minister what was the nature of the philosophic consideration that brought forth that emission?

Mr. Trudeau: Mr. Speaker, in reply to the first part of the question I can assure the hon. gentleman that it had nothing to do with a cabinet leak. I am happy to hear that the right hon. member wants to hear my philosophic considerations, because in his usual spirit of fair play he does not want to be misled either by editorials or by headlines.

In my discussions with these students and young people, who in no way waylaid me but were protesting peacefully, and with whom I was very glad to have an exchange of views, I made the point that intervention in wars by third parties sometimes had larger consequences than the third parties had contemplated at the outset. I gave various examples of such situations. Apart from the Vietnamese I gave several examples, such as the Russians being surrounded at Leningrad, the Nazis being surrounded at Stalingrad, the French being surrounded at Dienbienphu, and probably I would have cited Custer's last stand had I thought of it.

I gave several such examples and said that for a third party to intervene in some way to help ambushed or beleaguered defenders in

some part of the globe might entail involvement in a civil war, and I was asking them to reflect on that. There was no intention in my mind, as the right hon. gentleman realizes, of comparing them to the Nazis, to the Soviets, or to the French at Dienbienphu.

Mr. Deifenbaker: Then the Prime Minister admits that it was in fact an ill timed and ill considered comparison?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Trudeau: No, Mr. Speaker. I think what was ill timed was the headline, and I merely suggest that if the right hon. member is interested in speed reading he should not stop at the headlines.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —I read the statement that was made, and no amount of weaseling on the part of the Prime Minister can explain it away.

Mr. Speaker: Order, please.

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary question, Mr. Speaker. With respect to the same remarks made in Halifax and his reference to feeding Nazi troops around Stalingrad, does the Prime Minister not realize that Canada was involved in a war at the time—

Mr. Speaker: Order, please. The hon. member for York South.

HOUSING

PARTICIPATION IN TASK FORCE BY MINISTER WITHOUT PORTFOLIO

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Prime Minister. Would the Prime Minister advise the house whether the Minister without Portfolio, the hon. member for Winnipeg South, is now a member of the task force on housing; and could he tell us how that minister was able this morning to participate as a member of the task force and to question the briefs that were being presented?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the Minister without Portfolio has been requested to assist the Minister of Transport in every way the Minister of Transport sees fit.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker. Does this include sitting as a regular member of the task force, or is it to be the practice that Liberal members in various cities will be made in some way ad hoc members of the task force?

Mr. Trudeau: No, Mr. Speaker, it is not the intention that there be such ad hoc members. The task force has been set up on a basis that would permit it to proceed as efficiently as possible on this question of housing in order to reach its conclusions as quickly as possible. The Minister of Transport has taken initiatives that I think are aimed at that end.

Mr. Thomas M. Bell (Saint John-Lancaster): A supplementary question to the Prime Minister, Mr. Speaker. Will the Prime Minister call the Minister of Transport off this housing trip and see that he is present here on Wednesday to answer questions about his personal conduct—

Mr. Speaker: Order.

Mr. Bell: —which has been challenged in and out of the house?

Mr. Speaker: Order, please.

HAMILTON, ONT.—HEARING OF BRIEFS BY TASK FORCE

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I did ask a question of the Minister of Transport on Friday of last week which in his absence was handled by the Minister without Portfolio. However, in view of the urgency of the matter I will have to direct my question to the Prime Minister. All Hamilton is waiting for the answer. Perhaps the Prime Minister could advise the house whether in fact any studies took place over the week end to determine if the task force is or is not going to visit Hamilton, Ontario.

Right Hon. P.-E. Trudeau (Prime Minister): In accordance with a series of instructions I gave my colleagues, including the Minister of Transport, I do not think there will be a minister here to answer for that department except on Wednesday, Thursday and Friday. I wonder whether the city of Hamilton could possibly wait until Wednesday to hear this answer.

Mr. Alexander: In view of the statement the right hon. gentleman has made, I wonder whether he would undertake to see to it that an answer is given, preferably a favourable answer, for the benefit of all Hamilton on Wednesday.

LABOUR CONDITIONS

PROGRAMS TO RELIEVE UNEMPLOYMENT IN ATLANTIC REGION

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): I wish to direct this question to the Minister of Manpower and Immigration. Does the minister's department have any special programs designed to help alleviate the heavy burden of increased unemployment in the Atlantic provinces?

Mr. Speaker: Order. I would think what the hon. member is requesting is a statement, which should be made, if at all, on motions.

Mr. Lundrigan: Yes. I was really asking for a yes or no answer. My supplementary question was to be this. Will the minister be prepared to make a statement on motions in view of the fact that on Thursday he made reference to Ontario and Quebec in connection with the work of his department?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): I do not think it will be necessary to make a statement on motions to cover this point.

Mr. Lundrigan: On Thursday, Mr. Speaker, the minister did refer to a considerable increase in departmental expenditures for Quebec and Ontario. I think it would be in order for the minister to advise the house what is in store for the Atlantic region, bearing in mind the heavy burden of unemployment there.

Mr. MacEachen: The question asked last week had reference to the cancellation of the municipal winter works program. As the hon. member knows, a very minor proportion of the total expenditure under that program was spent in the Atlantic provinces. Over the years we have concentrated our expenditures in the Atlantic provinces on occupational training and retraining, especially of the unemployed. The program undertaken this year certainly represents much greater expenditures than could possibly be made, or have been made, under the municipal works program.

Mr. Robert Muir (Cape Breton-The Sydneys): A point of order, Mr. Speaker. It arises as a result of your reaction to the original question asked by my hon. friend from Gander-Twillingate. I should like to point out that for a number of years we sat in this house and heard hon. members by the names of Pearson, Martin, Pickersgill and Chevrier putting the same type of question day after day after day.

Mr. Speaker: Would the hon. member kindly make his point of order?

Mr. Muir (Cape Breton-The Sydneys): My point of order is that there are many precedents for the type of question which was posed by the hon. member for Gander-Twillingate. Why, at this late date, after so many precedents have been set in the house by distinguished members who are no longer here—

Mr. Speaker: Order, please. This is not a late date. It is a new date.

CANADA LABOUR CODE

INQUIRY AS TO IMPLEMENTATION OF REGULATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour? Can the minister say whether the regulations under the Canada Labour (Safety) Code have yet been put into effect? In particular, can he say when the provisions of this legislation will be operative in the province of Manitoba?

Hon. Bryce Mackasey (Minister of Labour): I do not wish to mislead the hon. gentleman. I should like to take this question as notice and give him detailed information on Wednesday.

NATIONAL SECURITY

ALLEGED SITUATION IN WEST GERMANY—REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): I have a question for the Prime Minister. On Thursday the Secretary of State for External Affairs undertook to check whether NATO secrets or other information essential to national security have been compromised in the security scandal recently revealed in west Germany. In the light of the serious developments over the week end, will the Prime Minister now report to this house whether our national security has been compromised in this connection?

Inquiries of the Ministry

Right Hon. P.-E. Trudeau (Prime Minister): I have no report to make as yet. I expect the appropriate minister will make it as soon as he has the information.

Mr. H. Russell MacEwan (Central Nova): I think it was on October 16 that the hon. member for Red Deer asked the Prime Minister whether the report of the royal commission on security had been received. I believe the right hon. gentleman told us he had not received it. I wonder whether he will now tell the house whether he has received this report and, if so, when it will be tabled.

Mr. Trudeau: Yes, Mr. Speaker. Later this week I am to meet with the members of this royal commission, and I expect them to submit either a final or an interim report; and, if questioned, I shall be glad to let the house know what happened.

Mr. Lincoln M. Alexander (Hamilton West): Would the Prime Minister explain to the house, if he is in a position to do so at this time, how it came about that a London daily paper was apparently able to print facts about the report of the commission on security and make reflections on the R.C.M.P., before the report has been tabled?

Mr. Trudeau: This question was asked on October 16. I told the house at that time that I was not yet in a position to control what appeared in London newspapers.

FINANCE

SUGGESTED MORATORIUM ON FARM INTEREST PAYMENTS

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): I have a question for the Prime Minister. In view of the fact that many farm areas have experienced successive crop failures as a result of frost, snow and poor harvesting conditions, may I ask whether consideration is being given to placing a moratorium on interest payments particularly in connection with machinery and land purchases?

Right Hon. P.-E. Trudeau (Prime Minister): I wonder whether the hon. member would mind addressing that question to the Minister of Agriculture.

Mr. Korchinski: Might I ask, as a supplementary question, whether consideration is being given by the government to providing cash advances with respect to crops lying in swath?

[Mr. Woolliams.]

IMMIGRATION

CONSULTATIONS RESPECTING ESTABLISHMENT OF QUEBEC DEPARTMENT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is to the Minister of Manpower and Immigration. Now that legislation is being introduced in the Quebec legislature to set up a department of immigration with stated policies, can the minister advise the house whether there has been consultation between either himself and his opposite number in the Quebec government, or between corresponding officials, to see that the policies of the two departments do not work so as to counter one another, but rather that they dovetail?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): I have had no consultation with any Quebec minister on this subject nor, I believe, have any of my officials had consultations, recently at least. I understand there is a desire to have such consultation, and I look forward to having it.

FISHERIES

BRITISH COLUMBIA—LOANS TO INDIANS FOR VESSEL CONSTRUCTION

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): I wish to direct a question to the Minister of Fisheries. The hon. gentleman is not here today but perhaps his parliamentary secretary could answer it. Does the recent proposal to make loans and grants available to British Columbia Indians for the construction of more fishing vessels conflict in any way with the minister's intention to limit the number of salmon fishing boats on the Pacific coast?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): I will take the question as notice, Mr. Speaker.

SALT COD—INQUIRY AS TO DEFICIENCY PAYMENTS

On the orders of the day:

Mr. Walter C. Carter (St. John's West): In the absence of the Minister of Fisheries perhaps the Prime Minister could answer this question. Is it the government's intention to propose a deficiency payment in connection with salt cod this year, in light of the fact that fishermen are receiving less than 50 per cent of the price they received last year?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I believe that questions on matters concerning the Department of Fisheries will be answered tomorrow in the house.

Mr. Lambert (Edmonton West): If the minister is here.

Mr. Lundrigan: As a supplementary question may I ask the government of Canada to stop codding around with the Atlantic cod.

MANPOWER AND IMMIGRATION

INQUIRY AS TO APPOINTMENT OF ADVISORY COUNCILS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. Have the advisory councils on manpower and immigration, which were to be established under the new legislation, been appointed yet?

Hon. A. J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the new manpower advisory council and the boards have not yet been named. I am currently working on this problem, and I hope we will have the council in operation at the earliest possible date.

POST OFFICE ACT

AMENDMENTS AFFECTING RATES, ADMINISTRATION, SAVINGS BANK

Hon. Eric W. Kierans (Postmaster General) moved the third reading of Bill No. C-116, to amend the Post Office Act.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I realize that we are now at the final stage of this legislation so far as this house is concerned. I realize too that it is not very often that a bill which has passed all previous stages is defeated on third reading, but it can happen. However, the make-up of this parliament is slightly different from that of the last one so that defeat of this measure at this stage is perhaps too much to hope for. But it does seem to me it is still appropriate to ask the government to give further consideration to some of the objectionable features of Bill C-116.

I hope we have made it clear that we support many of the provisions of this legislation. As a matter of fact, the Postmaster General (Mr. Kierans) is actually implementing some of the suggestions we have made about second, third and fourth class mail paying their own way. However, it is still felt by many of us that it is unfair to eliminate Saturday delivery in urban residential areas. We also feel that even if the government wants to establish one rate for first class letters, whether they are drop letters or carried across the country, that rate might be 5 cents instead of 6 cents. Furthermore, with respect to some of those changes of which we approve we think there is a case for considering further some of the details, particularly the times when some of the changes are to come into effect.

As a matter of fact, Mr. Speaker, even during the week end since the approval of the bill in committee stage many, perhaps all of us, have been receiving communications by mail and telegraph urging further consideration of the measure. We are still appealing to the minister to make the particular changes that we suggested. We do not like its provisions for increased charges and reduced service. Therefore the least the house might do is to put off the passing of this bill until a later date and so I move as an amendment, seconded by the hon. member for Surrey (Mr. Mather):

That Bill C-116 be not now read a third time, but that it be read a third time this day six months hence.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I say very briefly that we intend to support this amendment. We are not satisfied that the minister and the government have made a case. We are not satisfied they have answered the questions put from this side of the house during presentation of the case for Her Majesty's Loyal Opposition, both on second reading and in committee of the whole.

They have not answered the questions with regard to the archaic method of tendering. They have not, despite our questioning, established the basis upon which the figures were arrived at that were presented by the minister and the government in order to substantiate his proposals. They have not met the direct challenge put forward by the hon. member for Calgary North (Mr. Woolliams) on Friday, by which the statements of the minister were met head on and refuted.

They have not answered the clear case made by members on this side of the house that the increases in the rates will in effect constitute a form of indirect taxation, not a charge falling upon corporations but an indirect form of taxation falling upon a great many individuals, which of course will add

Division

substantially to the high cost of living. They have failed dismally and completely to make a case for the changes, and we propose to support the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles).

The house divided on the amendment (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alexander
Baldwin
Beaudoin
Bell
Brewin
Broadbent
Burton
Carter
Comeau
Crouse
Danforth
Diefenbaker
Dionne
Fairweather
Flemming
Fortin
Gauthier
Gilbert
Gleave
Godin
Gundlock
Hales
Harding
Harkness
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Laprise
Lewis
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacLean
MacRae
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Mather
Matte
Mazankowski
Monteith
Moores
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Noble
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ricard
Rose
Saltsman
Schreyer
Skoberg
Southam
Tétrault
Thomson (Battleford-Kindersley)
Woolliams
Yewchuk—66.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Benson
Blouin
Boulanger
Breau
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Corbin
Côté (Richelieu)
Cullen
Cyr
Danson
Deachman
Deakon
Drury
Duquet
Durante
Éthier
Forest
Forget
Foster
Francis
Gervais
Gillespie
Givens
Gray
Groos
Guay (Lévis)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Kierans
Laing
Lang
Langlois
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Marceau
Marchand (Kamloops-Cariboo)
Mongrain
O'Connell
Olson
Ouellet
Penner
Pilon
Portelance
Pringle
Reid
Richard
Rock
Roy (Laval)
Ryan
Sharp
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Whelan
Whiting—100.

• (4:00 p.m.)

Mr. Speaker: I declare the amendment lost.

The house divided on the main motion (Mr. Kierans) which was agreed to on the following division:

YEAS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Benson
Blouin
Boulanger
Breau
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Corbin
Côté (Richelieu)
Cullen
Cyr
Danson
Deachman
Deakon
Drury
Duquet
Durante
Éthier
Forest
Forget
Foster
Francis
Gervais
Gillespie
Givens
Gray
Groos
Guay (Lévis)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Kierans
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen

MacGuigan
Mackasey
McBride
McIlraith
McNulty
Marceau
Marchand (Kamloops-Cariboo)
Mongrain
O'Connell
Olson
Ouellet
Penner
Pilon
Portelance
Pringle
Reid
Richard
Rock
Roy (Laval)
Ryan
Sharp
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Whelan
Whiting—100.

NAYS

Messrs:

Aiken
Alexander
Baldwin
Beaudoin
Bell
Brewin
Broadbent
Burton
Carter
Comeau
Crouse
Danforth
Diefenbaker
Dionne
Fairweather
Flemming
Fortin
Gauthier
Gilbert
Gleave
Godin
Gundlock
Hales
Harding
Harkness
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Laprise
Lewis
Lundrigan
MacEwan
MacInnis (Cape Breton-East Richmond)
MacLean
MacRae
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Mather
Matte
Mazankowski
Monteith
Moores
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Noble
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ricard
Rose
Saltsman
Schreyer
Scott
Skoberg
Southam
Tétrault
Thomson (Battleford-Kindersley)
Woolliams
Yewchuk—67.

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order to point out the very obvious violation of the rules by the Secretary of State for External Affairs.

Mr. Speaker: Order, please. The violation may have been obvious to the hon. member but unfortunately my attention was obviously attracted somewhere else and I did not see the violation. I suspect that the hon. member is referring to the fact that hon. members should not come inside the house or move outside the house while a vote is being taken. This may be the violation to which the hon. member for Cape Breton-East Richmond is referring.

Mr. Sharp: Mr. Speaker, on the point of order, I deny there was any violation. I voted from my seat.

Mr. MacInnis (Cape Breton-East Richmond): On a further point of order, Mr. Speaker, possibly the Secretary of State for External Affairs would like a thorough explanation of what the rules are concerning a vote.

Mr. Speaker: Order, please. Hon. members know that they cannot move from one seat to another while the vote is being taken. Perhaps that is the point the hon. member is making. I would point out to hon. members that two hon. members were involved, one from each side of the house. It was not too conspicuous and I did not bring it to the attention of hon. members. The point of order raised by the hon. member gives me an opportunity to remind all hon. members of the standing order on this point.

FARM CREDIT ACT

AMENDMENT RESPECTING ELIGIBLE CLASSES, AMOUNT OF CAPITAL, INTEREST RATES, ETC.

On the order:

House again in committee of the whole on Bill C-110, an act to amend the Farm Credit Act—the Minister of Agriculture.

Mr. Danforth: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. The hon. member for Kent-Essex on a point of order.

Mr. Danforth: Mr. Speaker, my point of order is to respectfully request once more that the government give consideration to bringing forward at this time a non-controversial bill on agriculture, namely, Bill C-113, in order that we may deal with it at this time.

• (4:10 p.m.)

Mr. Speaker: I doubt very much that this is a point of order. The hon. member will have to refer me to the standing orders indicating where and in what way this can be construed

as a point of order. It is a question which I assume might be legitimately asked of the government house leader, and he may want to reply to it.

Mr. Macdonald (Rosedale): I would be glad to bring forward at eight o'clock this evening the bill amending the Prairie Grain Advance Payments Act.

The house resumed, from Tuesday, October 15, consideration in committee of Bill No. C-110, to amend the Farm Credit Act—Mr. Olson—Mr. Béchard in the chair.

The Deputy Chairman: Order, please. House again in committee of the whole on Bill C-110, to amend the Farm Credit Act. When the committee rose on Tuesday, October 15, clause 1 of the bill was under consideration.

On clause 1—*"Farmer."*

Mr. Danforth: Mr. Chairman, I rise to deal with this bill at the present time and to bring to the attention of hon. members what I consider is a very grave problem, particularly so far as the agricultural industry is concerned, concerning the manner in which legislation is presented.

There was no doubt from the very outset that Bill C-110 would be controversial because some principles are involved on which we wish to question the minister rather closely. An attempt is being made by the government through this piece of legislation to broaden the base on which farmers can borrow money, and to increase the amounts. Some of these provisions we consider very commendable. However, there is also a principle involved here in that the government by the order of business it has set is creating a definite hardship to the agricultural community of this country.

We have asked on many occasions that a change be made in the government program to allow Bill C-113, to amend the Prairie Grain Advance Payments Act, to be considered. However, on every occasion the government has indicated that it is prepared to deal with that bill only if the opposition will allow Bill C-110 dealing with the Farm Credit Corporation to pass through all its stages. I fail to see why the welfare and the economic well-being of farmers should be tied up by an attempt by the government to force its will on parliament. I fail to see, as a member sitting on this side of the house, any great advantage that the government can derive from forcing these bills through the house in the order it has indicated it wishes to proceed with them.

It is a very serious proposition for a farmer in the west faced with the hardship of muddy fields and grain so wet that it is not fit to be harvested. It is lying on the ground and there is so much mud that the heavy machines cannot harvest the crop. He wonders where the money is going to come from to pay his obligations to the bank, to the machinery companies and to the government, and where he will find the money to feed and clothe his family during the winter months. Surely we who sit here in parliament represent the people of Canada, and when we observe the tactics which the government has employed in regard to this legislation we realize it is certainly not serving the farmers of this nation.

I see no great difficulties involved in changing the order of these bills on the government program. We could have had Bill No. C-113 out of the way and have dealt at length with Bill C-110. We consider the action of the government nothing less than blackmail. What it said to us in effect was: If you wish to deal with Bill C-113 you must deal first with Bill C-110 in all its stages. May I assure you, Mr. Chairman, and through you the members of this house that we are not too concerned about whether this is an advantage or a disadvantage to the government. What we on this side of the house are concerned about is the welfare of the farmers whom we hope to serve. I feel that we are doing Canadian farmers and Canadians as a whole no service when we hold up solutions to economic hardship because of the jockeying for position which takes place in parliament.

So I wish at this time to place on the record of this house the opinion of the opposition that the government is doing no service to the farmers of this country when it takes action to prevent them from obtaining the monetary assistance they so desperately need.

Mr. Olson: Mr. Chairman, I think it would be very wrong indeed for me to accept the remarks of my hon. friend who in fact said that the amendments to Bill No. C-110 are not important.

Mr. Danforth: I did not say they were not important.

Mr. Olson: The hon. member did not say exactly that but his words were to the effect that some kind of blackmail was going on so far as the government is concerned with respect to the order in which these bills are coming forward. I would like to remind hon.

gentlemen opposite, in the most charitable terms at my command, that we regard the amendments to the Farm Credit Act in Bill C-110 to be of the greatest importance to the farmers of Canada from Newfoundland to Vancouver island. There is no particular magic in putting this bill ahead of any other bill because it is very difficult to ascertain the relative importance of these bills. Their importance depends on where in Canada one lives and what one's status is with respect to the provision of loans. I think it would be pretty hard to argue with a farmer in Nova Scotia, eastern Quebec, British Columbia or anywhere else, who has been waiting for his loan from the Farm Credit Corporation to be approved, that it is more important that legislation on cash advances on farm stored grain be approved first when he is waiting for increased capitalization. This is the situation that we face today.

The argument of hon. gentlemen opposite that the government has not given top priority to farm legislation is in complete contradiction of the facts. The facts are that until Tuesday, October 14, apart from the time required for the budget speech and for supply, which hon. gentlemen know is mandatory, all the time was used for debates on farm legislation. There is no logical reason why hon. gentlemen could not have made their arguments once. However, some hon. gentlemen opposite spoke four or five times on clause 1. They could have made their arguments and then let the house decide whether or not to pass the amendments to the Farm Credit Corporation legislation. These amendments could have been passed long before now.

• (4:20 p.m.)

I want to say that no wrong tactics, no blackmail and no pressure at all are involved. In case hon. gentlemen did not know it, I point out that the Department of Agriculture is responsible for agriculture all over Canada and not simply in the prairie provinces. We want all of these bills passed. We think it is essential. I know that hundreds of applications to the Farm Credit Corporation are now pending. We know now that the capitalization of the corporation, which is $40 million, will have expired before we can transfer funds that will permit us to approve these applications.

Mr. Horner: It has not yet.

Mr. Olson: It will if we accept these applications. We cannot proceed, in view of what has been done in the past, until we have this increase in capitalization. Today the capitalization is $40 million and under the act we are not allowed to commit any more than 25 times that capitalization or $1 billion. More than that would be committed if the applications we have right now were approved.

There is certainly no intention on my part or on the part of the government to cause any delay. We had thought that long before now these amendments and the farm cash advances legislation would have been passed. However, the situation is such now that it is unfair to suggest any wrong motives are involved in trying to get these Farm Credit Corporation amendments passed. We need them. I have tried to explain; I have pleaded with the opposition that we need them. In any event, the house leader has said that at eight o'clock tonight we will deal with Bill C-113. Then hon. members will have an opportunity to debate it. I want to say that even if that bill were passed tonight it would not in any way change the fact that the Farm Credit Corporation amendments are extremely important to the farming community in Canada. We do not have any more money to make commitments until parliament approves the bill.

There are many other important amendments, changes in the rules, the criteria and the qualifications, that are also improvements in this legislation. The opposition will have to take the responsibility for holding up these improvements. I believe the opposition will also have to assume responsibility for one other factor, namely, that after the government has given top priority to the farm legislation the government cannot go on with it. If hon. gentlemen opposite are not willing to pass this legislation, that is up to them. They will have to take responsibility for it. There are other essential pieces of legislation dealing with other departments with which we have to deal. Hon. gentlemen must know that the budget has been presented and the budget debate is to begin soon. They should know too that there are important changes in various pieces of legislation related to the budget.

Mr. Horner: You are not filibustering your own legislation now, are you?

Mr. Olson: All these measures ought to be passed. We are willing to do everything we can to get this legislation through. We have to remember that top priority has been given these measures in so far as the time of this house is concerned and those who hold them up should take responsibility for doing so.

Mr. Peters: I should like to ask the minister a question. He referred to the capitalization of the Farm Credit Corporation. There is a capitalization of $40 million and the corporation is allowed to commit 25 times that amount. Since the Farm Credit Corporation has now been in operation for a number of years and farmers have been repaying loans to the corporation, can the minister say if these payments go into a revolving fund or are they made to the Receiver General of Canada to go into general revenues? When this act was passed originally, was there a time limit on when the government would have to put more money into the capitalization of the Farm Credit Corporation?

Mr. Olson: Several questions have been asked, Mr. Chairman. It is a fact that the payments on loans that have been made in the past have been made to the corporation. Of course, the corporation has payments to make on loans from the Minister of Finance. If I understand the situation correctly, there is a steady increase in the amount of the assets of the corporation from the earnings on these loans that have been made.

Mr. Peters: Am I correct in assuming then that the Farm Credit Corporation really has a revolving fund from which it makes loans and that this fund is increased when payments are made?

Mr. Olson: I have been trying to listen to the questions and get advice on the precise techniques, which makes it a little difficult. What the hon. member is saying is true in part. It is a revolving fund because payments come back into it and a large portion of these payments is available for further loans. Of course, the fact is that applications for new loans far exceed the repayment of loans outstanding.

Mr. Muir (Lisgar): We on this side, Mr. Chairman, are glad to see that the minister has finally come to the point where he is showing a little co-operation with the opposition. Had this been done earlier I am sure these two bills would have been passed long since.

The legislation we are considering today, a measure to amend the Farm Credit Act, while of the utmost importance to the farming industry in providing credit to establish and equip necessary economic units, does little to assist our farmers out of the dilemma in which they now find themselves. There is hardly any segment of the agricultural economy today that is not plagued with rising costs, lower prices and lack of markets. In addition to all this, farmers have been forced to meet competition that is either government subsidized or the result of overproduction of many agricultural commodities produced by other nations. In so far as grain is concerned, we see the corn producers of Ontario turning to the government in desperation and asking the government to do something about the importation of surplus corn from the United States. So far as I know, these farmers have had no reply to date.

In so far as wheat and other grains grown in the prairie region are concerned, we have the opinion of the president of one of the leading grain companies in the west that there is little likelihood of the crop delivery quotas for this crop year exceeding five bushels per specified acre. Mr. Runciman, president of the United Grain Growers, also predicted that the best western farmers could hope for by way of income from grain sales until May of 1969 is $10 per acre. When one considers the cost of working the land, seed, fertilizer and harvesting, one hardly needs to mention that this amount falls far short of the cost of production. Yet somehow the farmer is expected to pay his living costs, interest and capital payments on land and machinery, taxes, repairs and other expenses too numerous to mention out of this inadequate income.

If the farmers are forced either to sell their grain for feed at fire sale prices or turn to the production of beef, pork or poultry to supplement this meagre income, one need not be an agricultural expert to predict what will happen to the whole agricultural industry in the coming years. Under these circumstances there will simply be overproduction of every farm commodity, in the depression years the farmers had to grow more for less in order just to survive.

• (4:30 p.m.)

The proposed amendments to the Prairie Grain Advance Payments Act, which I am pleased to see the government has finally agreed to bring in at eight o'clock this evening, could be of some immediate assistance but certainly they are not a long range solution to our agricultural problems. The fact that the government has consistently refused to announce what will be the interest rate on farm credit loans or to give the house and the country any inkling as to what formula the governor in council will use under section

16A of the act in setting the interest rate leads one to believe that the interest rate for long term credit will be a fluctuating one. It also leads us to believe that it is not the government's intention to hold the rate at a level that our farmers can afford, but to squeeze the last possible dollar out of an industry that at the present time is fighting for its very survival.

I believe it is important to Canada that the agricultural communities in our country prosper along with other segments of our economy. To enable them to do so the government can play its part by continuing to make long term loans at 5 per cent interest.

We believe—and I think the minister will generally agree—that our farmers are among the most efficient in the world. However, I would point out to the minister that they are being forced to compete with producers in other countries whose governments have accepted farm subsidies as permanent policy. I would also point out that the interest that the government will be negotiating with the banks under the Farm Improvement Loans Act has no relation whatsoever to the interest that the government on its own should be charging the farmers for long term loans under the Farm Credit Act.

Surely, Mr. Chairman, it is not too much to ask the government to maintain a 5 per cent interest rate for long term loans to farmers. This would average out over the years at very little, if any, cost to the government. Action of this kind could be a very vital factor in helping the industry achieve stability and the necessary economic well-being.

Mr. Gleave: Mr. Chairman, I do not propose to take a great deal of time but I should like to make one or two points. The first is that I think the minister should have referred the bill to the standing committee. This would have presented an opportunity to review the effect of the bill upon our farmers who find themselves in a rapidly changing agricultural economy. Some of the farm organizations could have been asked to appear before the committee to outline the needs of our farmers today, giving the picture, as it were, from the other side of the fence.

I do not in any way question the administrative ability of those who have been in charge of our farm credit programs, but it is well on occasion to get the point of view of those who are participating in such programs, those who, one might say, have to carry the load and pay the bills. They should be given the opportunity to outline the good points and the points that require changing.

At the present time some of our farmers who have formed themselves into groups require tremendous amounts of credit which were unheard of a few years ago. At the same time, single farmers who are just starting operations require credit on different terms; they require supervision and money lent to them at a lower rate of interest.

Another point that concerns me about this bill is that from now on the interest rates will be set by the governor in council. This decision is going to be taken away from parliament, from those who sit in this house representing farmers. In this regard I take away nothing from the minister who, like me, represents the farmers in his constituency.

The farmer has made a very considerable contribution to the economy of Canada. I have in front of me a news letter published by the Department of Agriculture which goes to great length to detail what the farmers of Canada have done for the country as a whole. I was president of the Farmers Union and could not have done a better job in putting the case for the farmer. However, when one reads what the Department of Agriculture says the farmers have done for Canada and compares it with what the Department of Agriculture and the government propose to do to the farmers in the terms of this bill, one wonders whether hon. gentlemen opposite are sitting in the same seat. According to this newsletter the department has this to say:

> To put it another way, an average hour's earnings by a worker in the manufacturing sector in 1946 bought 1.9 pounds of pork chops. In 1967 the same hour of work bought 2.8 pounds. Creamery butter (the number of pounds that can be purchased with an hour's wages), over the same period jumped from 1.7 to 3.4 pounds; eggs 1.4 dozen in 1946 to 4.4 dozen in 1967; milk 5.8 quarts to 8.3 quarts; potatoes 21 pounds to 43 pounds; and sugar from 8.3 pounds to 25.7 pounds. But at the same time the percentage of the consumer's dollar accruing to the farmer declined from 57 in 1950 to an average of 42 in the 1960's.

The newsletter goes on to say:

> The non-farm sectors of Canada must be reminded that it is in their financial interests to promote the prosperity of the farmer.

I repeat, Mr. Chairman, it is in "their" financial interests, not in the interests of the farmers. It goes on to tell our farmers:

> You have become bigger and you have gone into debt to equip yourselves to do a proper job in the industry which you know best and which you alone can operate.

So, Mr. Chairman, we are looking to the farmers. Nevertheless we propose to increase the interest rates on the money the farmers have to borrow to continue to do these wonderful things for the consumers. The newsletter goes on to relate that our agricultural exports average about $1.8 billion a year and our imports about $1 billion, leaving a net trade balance in our favour of about $800 million. It concludes:

> If agriculture is to take its rightful place we must have deeper mutual understanding between our rural and urban peoples, and this means greater appreciation of each other's strivings and achievements.

• (4:40 p.m.)

It is a wonderful document. I could go on to say more about it. It tells of the goods and services which farmers buy, the purchasing power that they channel into the industrial and manufacturing community of Canada. In these circumstances one would think that in a bill such as this our objective would be not only to make more money available but to make sure that it is available at rates which the industry could afford. One would judge by the statements made in this pamphlet that the industry which it describes cannot afford to pay high interest rates. That is the only conclusion one can reach. This legislation gives us an opportunity to bring some real, long term aid to farming, if the government wishes to take it.

Those who borrow money under this act will be paying it back for a long time, most of a working lifetime. If a load is placed on them they will be carrying it for a long time. They have no other way out. I think we have not gone far enough in establishing a co-ordinated credit policy in our approach to this problem.

We read here that total farm productivity has increased by some 67 per cent in the last 24 years. Capitalization has increased by 50 per cent. Thirty years ago, 63 per cent of the input of farmers was represented by labour costs. Today that figure is only 25 per cent. These are some of the things we should be taking into account when we begin planning a credit program for agriculture, and that is what we are doing here. My concern is that the provisions set out in the present bill do not meet the requirements of the industry and that a credit program is not being planned and developed in a manner which will keep the industry in a healthy condition. We are facing tremendous changes not only in the size of holdings but in the type of production. The industry will need money with which to recapitalize. If we place the interest rate too high we shall be putting our farmers in difficulty; we are not doing them a big favour.

Mr. Horner: Mr. Chairman, I did not intend to speak again on clause 1 of the bill but after the severe scolding and lecture the minister gave members on this side of the house, I think the record ought to be cleared up. At the resolution stage, I asked the minister to agree to this bill being referred to the committee on agriculture. He did not assent to this course and his defence was that there were other and more important pieces of legislation before the house which had to be cleared up. He had to give way to the post office legislation.

If the hon. gentleman had referred this bill to the committee two weeks ago a lot of the information we require could have been obtained. Oh, I know the minister is about to rise to tell us that the committee had not been constituted.

Mr. Olson: No, Mr. Chairman, I—

Mr. Horner: I listened patiently to the hon. gentleman and now I should like him to listen patiently to me. He may speak after I have finished, if he wishes to do so.

It is the duty of the minister to listen to what opposition speakers say and to take their advice into account. Instead, the hon. gentleman lectured us and told us to be good boys. He thought this legislation was needed, and we had to pass it. If we had allowed the government to pass farm legislation increasing interest rates by as much as 2 per cent, what would the farmers have said to us when we went home? They would have said: Why did you not advise the Minister of Agriculture that this is wrong and detrimental to the industry?

The minister gave a perfect example of what I mean by skating around the question when he replied to the hon. member for Timiskaming. He was asked whether the Farm Credit Corporation was set up on the basis of a revolving fund. Well, said the hon. gentleman, it was in part. Why did he not say yes or no? We have had the same kind of answers all along so far as farm legislation is concerned—hum and ho. How does the minister expect us to do our jobs when we are given that kind of assistance?

We are not attempting to hold up this legislation. At the beginning of the session we urged that the bill be sent to the standing

committee but the minister would not agree. It was said that the money was urgently needed, but when the question was asked whether the fund was on a revolving basis the minister told us that it was in part. He did not say how this affected the interest or how it affected the capital. He did not say yes or no. If he wishes to speed up the passage of legislation he would do much better to encourage and inform members of the opposition rather than scold and lecture them.

No one is more concerned about the agricultural industry than the members of this party or, indeed, all members of the opposition. The minister has it in his power to do something for the agricultural industry. We have hopes that with our assistance he will indeed help that industry. He must understand that we are here to help him, that we are here to encourage his department to do those things which agriculture needs, to assist him in his battles with cabinet colleagues over high interest rates, to strengthen his hand in his talks with the leader of the house as to the importance of this legislation and the need to place it before the house with some degree of continuity.

All last week the post office bill was debated in this chamber. It was discussed continuously until it was finished. The last time this subject was debated, clause 1 was ready to go through. Now we have spent another hour during which we have listened to a lecture by the minister in connection with who was holding up what. For a while, in fact, I thought he was filibustering his own bill. Now the question has arisen: which bill is of greater importance? The hon. gentleman knows that the cash advance legislation is of immediate importance to farmers. But the measure before us concerns long term credit and we would be doing less than our duty if we did not thoroughly examine any proposals affecting long term credit brought forward by this or any government. This is what we have attempted to do.

• (4:50 p.m.)

In his news letters the minister has described the grave conditions facing agriculture all across Canada. We are well aware of the fact that every day small farmers are going out of business and that the family farm is slowly disappearing. We have to examine this bill to see what it provides to stabilize the small farm, to halt the continual drift from the small farm to vertical integration.

The minister has not really aided us in our concern with this problem. He could have done so by sending the bill to a committee. He has not aided us with regard to the interest rates. More than two weeks ago we passed the farm improvement loans bill and since then have been waiting patiently for the interest rates and the formula governing them to be announced. The other day the Minister of Finance said he thought that bill had been passed by the Senate, but the Senate is still discussing it and the interest rates will not be announced until the act is proclaimed.

What are they waiting for in the Senate? They are waiting for the former hon. member for Assiniboia to make one of his roaring speeches in defence of the farmers. When I made inquiries they told me they were waiting for him to get back from the west to make a speech on that bill.

We have been given no real set of regulations. That legislation is practically following the same pattern of previous legislation. During the June election we were told that that legislation was supposed to have been dealt with last February, that the banks had agreed to an interest rate last February, and that everything was copacetic. But two weeks after the passage of that bill by this house no formula has been announced for the interest rates.

We are going to have to deal again with the question of interest rates on clause 5 of this bill. I can tell the minister right now that he will have a stormy session on clause 5 unless he is prepared to enlighten us to some degree on what the interest rates will be with respect to the other bill. Surely he does not want us to buy two pigs in a poke and then go back home and say, "We did the best we could but we did not know what we were passing and what the minister was asking for.". I would like the minister to clarify his "in part" statement with regard to the revolving fund and how he expects that this bill, particularly with the high interest rates he has in mind, will maintain small farms in existence. I would also like him to explain what is meant by the phrase in the regulations defining an economic unit. Again I ask the minister to explain his words "in part" with regard to the revolving fund.

Mr. Olson: Mr. Charman, it is somewhat analogous to a revolving fund. I want to be precise in the answers I give. It is not exactly like a revolving fund because the act sets out the maximum amount which the corporation may have outstanding at any time with the Minister of Finance. At the present time that

amount is $1 billion, 25 times $40 million, which is the capitalization of the corporation.

This money is borrowed by the corporation on specific repayment terms. Loans are made to farmers on specific repayment terms and their repayments are used by the corporation to repay the Minister of Finance. However, the amount of the principal recovered from the farmers is much less than the amount of funds being lent so that the ceiling of $1 billion has now been reached. So it is true that in part—I have to say that to be accurate—some of this money can be used as a revolving fund whereby repayments that are made are available to be lent to other farmers. But my hon. friend will have to bear in mind that that is not exactly right because we have specific commitments to the Minister of Finance as well, and of course the amount of money that comes back from the farmers and is used for those specific commitments does not form part of a revolving fund from which new loans can be made. One cannot repay the Minister of Finance and lend that same money again, and so the answer I gave was absolutely correct.

Mr. Horner: Well, if it was correct it was understood by nobody but the minister himself. Will the minister clarify this point? If the ceiling has not been reached is the amount recovered from farmers immediately plowed back into other farm loans?

Mr. Olson: Any money that comes back from the farmers is used immediately to lend to other farmers unless—and this is the point my hon. friend missed—we need that money or a portion of it to meet a specific commitment to the Minister of Finance to pay off a loan from him.

Mr. Horner: I have the report here but I cannot find the table at the moment. For example, in 1951 and 1952 the government borrowed money at 3 per cent to be lent under the Farm Credit Act. I presume that a large amount of that money is now coming back to the government. If no loans had to be repaid to the Minister of Finance, am I correct in assuming that this money could be lent again to farmers?

Mr. Olson: I am advised that the $15 million which the corporation borrowed from the Minister of Finance in 1951-52 is repayable to the Minister of Finance in full in 1970, but all of the other loans that the hon. member will see listed on page 24 of the report are amortized loans. We pay a portion back each year.

[Mr. Olson.]

Mr. Horner: Does the corporation receive an amount back from the farmers that is relatively close to the amortization due each year?

Mr. Olson: These loans are amortized on different terms and so it is difficult for me to give a precise answer, but my hon. friend can be assured that whatever money the corporation has in excess of its commitments to the Minister of Finance is available for further loans to farmers.

Mr. Horner: Now we are getting to the crux of the problem. How then can the minister say it is a revolving fund? In essence the government has not set up 25 times $40 million solely as a revolving fund from which money can be lent to the agricultural industry.

Mr. Olson: That is why I had to qualify the answer I gave. It is analogous to a revolving fund but not precisely because of other commitments which the corporation has to meet. The request now is to raise the ceiling from $40 million to $56 million, which will increase the maximum amount to $1,400 million. As long as this is authorized by parliament as capitalization, when the corporation pays back whatever amount it happens to owe the Minister of Finance it will immediately have that much additional authorization. It may not have the money. It may have to go back to the Minister of Finance and borrow it again, but each time we raise the ceiling this raises the amount of capital authorized to the corporation.

• (5:00 p.m.)

Mr. Horner: In that case we are by this bill raising the capital authorization by $400 million. Am I correct in assuming that all loans—I am referring to page 24—borrowed from 1953-54 onward, after this ceiling is in effect, would not necessarily have to be paid back at the new rate of amortization?

Mr. Olson: I am sorry; I do not quite follow the hon. member.

Mr. Horner: In other words, could this be applied as part of the increased capitalization?

Mr. Olson: Well, as I explained, the corporation is required to pay to the Minister of Finance a portion on each loan. We can obtain that information for you. The important thing is that they are amortized so that a portion is paid back each year from the time

they are taken out. But the paying back of any portion does not alter the new authorized limit which, hopefully, will be $1,400 million. That is there. We will have to go back to the Minister of Finance from time to time if we wish to have the maximum amount of money available for lending to farmers.

Mr. Horner: What I have been trying to entice the minister into telling us is what part of the available money lent under the act is in fact that portion that is revolving. I hope he will correct me is I am wrong, but I can only assume that about 98 per cent or 99 per cent of the money lent is not revolving and that perhaps 1 per cent or 2 per cent would be.

Mr. Olson: I think we must first of all agree on what we mean by revolving.

Mr. Horner: I mean a situation in which the Farm Credit Corporation does not find it necessary to obtain another loan from the Minister of Finance. It took the money it borrowed at 3 per cent, 3.2 per cent or 3.25 per cent, and so on down the line, 15 years ago. What portion of that is revolving? Is it 50 per cent? I said 2 per cent. I believe it is very important that the committee should know what portion of that money really is revolving so that we will have that information when we deal with clause 5 of this bill.

If the Farm Credit Corporation borrowed this money from the government at one time at a rate of 3 per cent, 3.2 per cent or so on down the line and has that money for its use—and I am sure the hon. member for Kamloops-Cariboo will agree with me in this regard—I would not think the corporation would attempt to milk the farmers with this money. I would not think the Minister of Agriculture or the officials of his department would charge an exorbitant rate of interest on this money.

Mr. Olson: I believe the hon. gentleman has overlooked the fact that the corporation owes the Minister of Finance very nearly $1 billion. In fact, all the money we have borrowed from the Minister of Finance has either been repaid or is outstanding. The money that comes back from loans from time to time is there for the corporation to use before a repayment is due. In respect of the corporation having any earnings, increased capital or surplus in excess of operating costs, there may be a little but it is so little that it cannot be relied on as capital to be lent again to farmers.

Mr. Horner: It would appear I was quite correct in assuming that a figure of about 2 per cent is in fact the percentage in respect of the revolving fund. Now the minister brings in the question of administrative costs. At page 20 of the annual report of the Farm Credit Corporation for the year 1968, dealing with interest rates on money lent to farmers it shows $43,202,515 as the amount of interest earned on mortgage loans to farmers. Then it shows that an amount of nearly $42 million in interest on loans from the government of Canada is deducted. Then we come to the crux of the problem. If the amount of interest paid to the corporation by the farmers is greater than the interest paid to the government, then we have the problem of whether the government should finance the corporation in respect of the administration costs.

We understand that the government finances the operating costs of the eastern feed board that was established a couple of years ago. Last year this board had operating costs something in the order of $500,000. A new Canada grains council is to be established in respect of which the government is to pick up the operating costs. The national dairy commission is another body in respect of which the government picks up the operating costs. In respect of crop insurance the government pays 25 per cent of the administration costs. I am very gratified that the government is picking up these costs in respect of other boards. Nothing is so important today as farm credit and therefore I would certainly like to think that in respect of this most important corporation the government would not shrink from its duty of picking up the administration costs of that board also. I would certainly recommend this to the minister. If this is done, then I see no real necessity for an increase in the interest rates as provided by this bill.

Mr. Olson: Mr. Chairman, may I refer the hon. gentleman to a line slightly farther down on that page where it states that the net operating loss provided for by the Department of Agriculture under vote 70 is $3,809,176.

Mr. Horner: I am quite aware of that figure. But we were talking about money. In answer to the hon. member for Timiskaming the minister said that this in part is a revolving fund. At that time I was aware that it was a very small part, but I wanted to draw this from the minister. Surely it is a very small part indeed. I said 2 per cent and no one denied that. I think I am being generous in saying it is that much. The minister's last

remarks on the question of money were to the effect that the corporation owes the Department of Finance nearly $1 billion which must be paid back but that it can obtain further loans from the Department of Finance. Then I brought up the matter of interest. I did not deny that there would be expenses in respect of salaries, employee benefits, pension plans, travelling expenses, office accommodation and so on. This is all included in the figure of $3 million which the Minister read.

I mentioned five different agricultural programs which the government now assists with regard to their operating costs. Surely the government is prepared to finance the operating costs of this board which is much more important than the other five. I hope the minister will enlighten me in this regard. I will be content if the minister will say that the government believes it can finance the operating costs of the Farm Credit Corporation. If the government would say it has always felt that it should pick up the operating costs of the Farm Credit Corporation I would be satisfied. If the minister would say that I would no longer be concerned about the interest rates that he, through the governor in council, is going to attempt to charge. Before this measure carries perhaps the minister would comment and indicate whether the government is prepared to pick up the operating costs of this corporation.

• (5:10 p.m.)

Mr. Olson: As the hon. gentleman knows, any deficit that the corporation incurs is picked up by the Department of Agriculture. In 1958 it was $3,809,176.

Mr. Horner: Mr. Chairman, I had the principle of this matter in mind, I realize that the Farm Credit Corporation is in effect a child of the federal government and as such the government has to pick up the losses. I wanted the minister to enunciate his policy in respect of the principle. Will the government pick up the operating costs of the dairy commission, the eastern feed board and part of the crop insurance program? Does it now or will it pick up the operating costs of the new grains council which the minister referred to as a hallmark in the history of agriculture last week in Winnipeg? I am not sure that is exactly what he said, but he made some such grandiose statement as to the purpose it would serve.

Let me say that the Farm Credit Corporation and its employees have done a tremendous job. It is far more important than the other five boards put together. In respect of the future of the agricultural industry today, the question of available capital is of utmost importance. All I want the minister to say is that he believes in the principle of the matter. I would even agree to his adding the word "if", because I am in a congenial mood today. Will the minister say that he firmly believes that if the government has to it will pick up the operating costs of the Farm Credit Corporation?

Mr. Olson: I will go further than that, Mr. Chairman. I will say that this has been done ever since the F.C.C. has been in existence. Whenever there is a loss it is picked up.

Mr. Horner: Fine. I will accept that.

[*Translation*]

Mr. Godin: Mr. Chairman, when Bill No. C-110 was first discussed, I had considered it my duty to point out the unfairness of the preferential treatment granted to some companies last year under Bill No. C-191, because we know that the bill exempted them from the excise tax of 12 per cent when buying trucks, tractors and various equipment for forestry and mining operations, as well as when buying pipes and other articles needed to install and operate natural gas or oil wells.

However, Canadian farmers are still paying 12 per cent on the full purchase price of a truck and they also pay 12 per cent in hidden taxes on several farm machinery, whatever type of operation they have. Whether they are poultry farmers, pork producers, cattle breeders, they need appropriate buildings to operate adequately.

The farmer is still subject to the famous 12 per cent tax for all materials used for the construction and maintenance of these buildings.

There was a time when it was possible to disguise favours. Now, with mass media, farmers are well informed and know what to believe. In the present case, farmers in the riding of Portneuf which I represent are disgusted, because they are fully aware that Bill No. C-110 which the government is about to introduce is more or less a legislation that will fleece them. They are afraid of the consequences of the bill before us which will enable a few individuals to set up rates of interest.

Farmers realize that the Farm Credit Corporation, which has rendered many services in the past, is becoming a collection agency.

Mr. Chairman, we all know that since Bill No. C-222 was adopted on March 21, 1967, the ceiling has been removed on interest rates on bank loans. By removing that ceiling, the government allowed the banks to do what they did, that is to lend at rates of 7, 8 and 9 per cent; and there is nothing to keep them from going up to 12 or 13 per cent.

Strangely enough, this bill singularly resembles Bill No. C-222. As you will recall, the present Minister of Agriculture (Mr. Olson) found that bill objectionable at that time. Allow me to quote a few of his statements. We all remember how good a parliamentarian he was and how he made himself heard quite often on this side of the house. The present Minister of Agriculture said, on March 17, 1967, as reported on page 14125, and I quote:

> There is only one aspect of this Bill No. C-222, Mr. Chairman, that I want to discuss, and that is the lifting of the statutory interest limit on bank loans. I was not a member of the committee, but I know this matter was discussed in the committee and I know some of the reasons advanced for authorizing the banks to go above the 6 per cent.

Now, we do not know what rate of interest will be charged to the farmers, that is left to the discretion of the minister.

And the hon. minister continued:

> It was suggested that all chartered banks in the country would then be able to provide a far wider range of credit requirements to Canadian citizens.

The minister added:

> I do not accept that contention—

—and a bit further, the minister continued in the same vein.

> It seems to me that all that is going to happen or the practical application will be that the banks will be charging—

—a higher interest rate—

> —for all the loans they have out now at the statutory limit of 6 per cent. One effect of this move is simply going to be to raise the cost of living, the cost of operating at the manufacturing level and the wholesalers' level, so the ultimate result will be an increase in the price structure.

The honourable minister continues further as given on page 14128:

> I suggest that many people seeking loans will pay more than 6 per cent on them after this bill becomes law.

The minister really knew what he was saying, he was really aware of what was coming up.

And I quote again:

> The minister means that will not necessarily happen.

He was speaking of the then minister of finance.

• (5:20 p.m.)

> I am not naive enough to think that loans to entities of the kinds I have mentioned will remain at 6 per cent after this bill becomes law.

I close with the quotation of a statement made by the hon. Minister of Agriculture who said again at the time, as shown on page 14126 of *Hansard*:

> If you include this increase in the cost of manufacturing operations and throughout the whole distributive system, then I suggest there will be a significant increase in the cost of living as a result. I think this is one of our primary responsibilities and something we need to be concerned about.

Mr. Chairman, will the bill now under consideration not contribute to an increase in the cost of living? We may wonder, after listening to the quotations which I have just read, if the ambition of the minister would not have impaired his judgment a little, in view of the fact that for the province of Quebec in particular, the net income per farm unit which amounted to $1,941 in 1951 decreased to $1,600 in 1967, because the price of the goods used by the farmers increased by 60 per cent, while the farm revenues increased by only 17 per cent.

In my opinion, Mr. Chairman, this is hardly the time to raise the interest rate ceiling on the price of farm machinery, and, at this stage, I should like to remind the hon. Minister of Agriculture of the tremendous difference between eastern and western farming. In my opinion, the results seem better and easier to get in the west. Perhaps is it because of the type of breeding, the size of the farms? It may be the climate which helps tremendously.

At any rate, during my last trip to Alberta, I learned that the hon. Minister of Agriculture owned 250 heads of cattle. Since that has happened more than a year ago, it is possible that this number has increased. I congratulate the Minister of Agriculture, but I should like to remind him that the situation in which the eastern farmers find themselves, specially those who demonstrated on parliament hill a year ago, has grown even worse.

It is true that 8,000 producers of fluid milk can make a go of it, but it is quite different for the 50,000 producers who sell their milk to the processing plants. As concerns those who have delegated representatives to the hill last year, as I say, the situation is always the same.

Several of these farmers have succeeded in building a business for themselves, thanks to the word of their wives and children, a few have succeeded by working 18 to 20 hours a day, thus endangering their health.

Among those workers, we can mention the hon. member for Richelieu (Mr. Côté). Hon. members will remember that he was elected to this house in a by-election in the riding of Nicolet-Yamaska and that he looked unwell when he arrived here; in fact, he hurt all over. He was very tired and his absences from the house proved that he had been hospitalized several times. He is completely well today. His health has improved because he did what most farmers want to do. He got rid of his business. When he saw that he could not sell his land, it took him just three weeks to get rid of all his livestock. Three weeks after his election to parliament, he had sold 30 milch cows as well as 45 other young livestock for a total of 75 heads of cattle. If my figures are incorrect, I hope I will be called to order.

Mr. Chairman, I would also like government members to make their comments because up to now, with a few exceptions, we have only heard the opposition. A while ago, I noticed the hon. member for Lac-Saint-Jean (Mr. Lessard) in his seat. He represents a rural constituency. I would like him to tell us about the impressions of farmers in his region.

I also noticed, a moment ago, the member for Lévis (Mr. Guay). We know that Lévis is now a designated area. With the excuse that the industries are in bad shape, the legislation adopted to that effect will be used to bring benefits to the industries, by way of tax reductions or low interest rates. Now, will the farmers of Lévis have to pay higher interest rates to help for the industries of the same region to gain advantages?

Mr. Chairman, I would also like the hon member for Laval (Mr. Roy) to let us know his views. He is an agronomist or a rural economist, you may call him what you wish. He is still an employee of the *Coopérative Fédérée*.

Mr. Roy (Laval): Mr. Chairman, I rise on a point of order. I remind my hon. colleague that I am not an employee of the *Coopérative Fédérée* and I would ask him to withdraw his comments.

An hon. Member: It is quite unfortunate.

Mr. Godin: I apologize, Mr. Chairman. It is true that the hon. member for Laval is not a full-time employee of the *Coopérative Fédérée*, but as he was one formerly and his services have been retained to take in charge certains projects of the *Coopérative Fédérée*. I always consider him as a man who has excellent ideas to suggest to his fellow-citizens.

[Mr. Godin.]

Mr. Chairman, the hon. member for Laval can communicate with 340 co-operative managers in the province of Quebec, who in turn, can communicate with their 40,000 members in a few days. I would also like the hon. member for Laval to let us know the general views of most of the farmers of the province of Quebec. Are the farmers asking an increase in interest rates on their loans? Since the hon. member for Laval has always been at the service of farmers, is he still in a position to render them a service by stating their opinions in this house?

Reference was made to a just society, Mr. Chairman, before the election. The Prime Minister is now considering the publication of a White Paper which will discuss the cost of living in Canada. Then we hear about inflation that must be stopped, about prices that must be stabilized. We also hear about stabilizing salaries but, in view of the situation, the Minister of Agriculture would have everything to gain by taking steps to prevent the farms from falling into the hands of financiers.

Before stabilizing salaries and profits in trade and industry, let us first stabilize the interest rates on the loans made to farmers. It is true that the government guarantees those loans, but it is also true that the government will not make any payments until the farmer has lost everything he owns.

As I said, Mr. Chairman, the Farm Credit Corporation has already rendered untold services, but today that same corporation is becoming a collection agency. That is why I ask the minister to reconsider his position and to amend the bill in such a way as to ensure the security of all those who will have to apply to the Farm Credit Corporation for help.

In short, Mr. Chairman, let us pay tribute to our dear departed, before election time, but in the meantime let us pass legislation to maintain the living.

Some hon. Members: Hear, hear.

[*English*]

Mr. Korchinski: Mr. Chairman, I might not have risen at this time to make a small contribution to the debate but for the fact that

for the last two or three weeks the minister and the house leader seemed to take advantage of every opportunity they had, as did the Minister of Finance on one occasion, to indicate to the house and the country that the real reason the farm legislation had not been passed was that the opposition was holding it up. I think this is also the impression the minister tried to convey to the house a few minutes ago. He did this on several occasions during his journeys to the west; he made statements to the press to this effect.

For the sake of the record I want to mention a few things that have gone on. I think the minister will have to agree that we are not dealing here with one piece of legislation. I believe there was agreement between the government and the opposition that the four agricultural bills would be discussed at the same time. In other words, what we have been discussing has been four pieces of legislation. We have just gone through a period—

Mr. Olson: It is three pieces of legislation.

Mr. Korchinski: It is the farm improvement loans bill, the Farm Credit Corporation bill, the farm machinery syndicates credit bill and the cash advances bill.

Mr. Olson: Not the cash advances bill.

Mr. Korchinski: This is exactly what has happened.

Mr. Olson: To make it perfectly clear, Mr. Chairman, there was no understanding at all that the cash advances bill was to be included in the package of bills we were to put through at the same time.

Mr. Korchinski: Immediately after.

Mr. Olson: Yes, immediately after, and we have not yet reached the "after".

Mr. Korchinski: Then I withdraw the statement that the cash advances legislation was included in the agreement. But the fact is that the cash advances legislation was discussed in the house. The minister is trying to lump together all the time we have spent discussing farm legislation in the house, and I think he is including that bill or is leaving the country with that impression.

We have had placed before us four items dealing with farm legislation. The minister knows, because he was chairman of the rules committee, that at the resolution stage there is an opportunity to take up to five hours to debate a resolution. For the sake of the record I want to indicate what has happened in this respect. On September 30 we spent two hours dealing with the resolution stage of the legislation concerning the Farm Credit Corporation. Shortly before six o'clock the next day debate on the resolution was resumed and after a total of three hours and forty minutes of debate the bill was introduced. On Wednesday, October 2, we spent one hour on amendments to the Farm Machinery Syndicates Credit Act. On Thursday we spent four hours and ten minutes on the resolution stage of the farm improvement loan legislation, and on Friday, October 4, we spent two hours on the cash advances legislation.

• (5:30 p.m.)

On October 7 we went on with second reading of the farm improvement loans legislation, followed by clause by clause debate the next day and the following day. We completed that on the third day by giving the bill third reading. On September 30 we spent two hours on farm legislation, on October 1 we spent two hours and forty minutes, on October 2, one hour, on October 3, four hours and ten minutes, on October 4, two hours, on October 7, two hours and ten minutes, on October 9, one hour, on October 10, four hours and twenty minutes and on October 15, three hours and twenty minutes. Out of the whole time spent in debate on these bills the minister took up four hours himself.

Some hon. Members: Oh, oh.

Mr. Korchinski: Yet the minister is trying to suggest to us that it is we who are holding up this legislation.

Mr. Knowles (Winnipeg North Centre): Has the minister only spent four hours on them? It seemed like ten.

Mr. Korchinski: He was certainly longwinded. Yet he is trying to leave an entirely different impression. May I point out that on many occasions we have tried to extract from the minister some sort of formula. If he had come out with it and had given us his own thinking on the matter—never mind what the banks have in their minds—if he had given us an idea in February and told us what the formula was prior to June 25, we might have saved a lot of time in this house. I say now that we are quite prepared to pass the cash advances legislation after a limited debate. There are perhaps one or two suggestions we may want to make to improve that legislation, and the same is true of the farm machinery syndicates credit bill.

We would be quite prepared to pass these three items of legislation following the 24 hours of debate we have spent on them even though the minister took four hours of that time. If we divide the 20 remaining hours by the three items of legislation, we can say we have spent less than seven hours on each. Let us consider that there are three opposition parties, so each party got less than three hours. Surely we are entitled to that much time.

Mr. Horner: Sock it to him.

Mr. Korchinski: I see I have a good cheering section behind me. I think the minister was quite aware of the fact that we have introduced no less than three amendments on this side of the house hoping to be able to pin down the interest rate to something that the people would understand and not leaving it to the whim of the minister or of the banks. I think this is important.

I make no apologies to the house or to the country for taking some time in trying to keep down the rate of interest. We have made similar efforts with regard to farm credit corporation loans. One thing we know for sure is that interest rates will increase. Are we not to stand here and fight against it? Are we not to be able to make a presentation, as did the hon. member for Crowfoot a few minutes ago, to try to see whether the revolving fund could not be used to the advantage of the farming community? Surely we should have the right to do this. We know that prices of farm land will be inflated. This will be a natural consequence of the minister's action in placing a limit of $100,000 on farm credit corporation loans. Are we not to be able to stand in defence of the small farmers? Are we not to be able to say a few words in defence of retaining the old farming units which have been there for years and years? Surely we in the opposition must have that right. As a matter of fact, I am very surprised that no one on the government side seems to realize that these farm units will disappear. I think something is wrong there.

As the government takes over, the credibility gap is widening. For years the farming community did not always believe what was said by the Liberal party. I can remember the time when a former prime minister promised $2 for wheat in Saskatoon. Yet now we are only getting $1.20 for wheat in elevators. How can the minister and the house leader stand here and try to accuse the opposition of holding up the legislation when everyone knows this is a falsehood? I say that the credibility gap is widening and it will continue to do so unless the minister tells us what are the actual facts.

I have every right to express my opinions when I see many United States corporations coming into this country and gobbling up much of our farm land. I wonder who will own this country in the end? It has been true for several years that corporations from the United States have been moving in. They have moved in as far north as my constituency. They are not too concerned about making money, or so it appears, because money is no object to them. They outbid everyone in the community and often they gobble up ten farms at a time. They hire entrepreneurs who operate the farms for them. At that point money is no object to them. What they are interested in is the final price of that land when they want to sell it. What the minister is doing by this piece of legislation is to let the land fall right into their hands.

At one time we were very concerned with trying to help the small farmers. The attitude of the Farm Credit Corporation was that when a farmer possessed more than a certain amount of land it was very difficult to get a loan from them. I also have had dealings with the corporation and I tell you that in its attitude it has gone back to the days when one used to have to prove to the old farm loan board that one did not need the money before being able to obtain it.

These United States corporations can write off any losses they suffer here against their operations in the United States. I do not know what is happening there and I have not gone into their books but I do think it is strange that these people can come here and operate with the type of equipment they have—money is no object to them—and yet their purpose is clear to the government. Their purpose is to wait for the time when the value of the land will go up when they will make a profit on it.

The minister cannot convince me that this will not happen under this bill. Have I not the right as a member of parliament to take some time in debating the bill? I think I have. I think the minister should speak to some of his own supporters who will tell him the same thing, as I have. I am sure the hon. member for Assiniboia is well aware of what happened in his area long before it happened in mine. I do not know how many times the minister has made arrangements with the corporation, but I think everyone is making

deals with the idea that eventually he will obtain money from the Farm Credit Corporation. One makes a down payment and signs an agreement and the money will be paid in six or seven months time, whenever the Farm Credit Corporation is ready to advance it. This is the type of agreement that all the people I know have made. They have been advised by their lawyers to do so. So it is not a question of having to have the money by tomorrow.

• (5:40 p.m.)

We could have sent this bill to a committee of the house. We could have discovered the weaknesses in the bill and improved upon it. Everyone knows that as soon as the snow falls no more money is paid out because all the claims are being processed. There are no more surveys of the land; the assessors do not go out after the snow falls. Why is the impression being left that we are holding up this measure when we know that during the winter the corporation just does a clean-up job on the applications? The agreements are signed in October but the money does not come through until well into May. This is what has happened in the past. There is no rush for this legislation, and the minister knows it.

On one occasion I asked the minister how much money was left in the fund and when it would be depleted. I believe he said in two or three weeks. If the farmers realized that something good might come out of a committee study I am sure they would not mind waiting two or three weeks more. Surely we should make this study in the interests of the farm community. Instead, the minister lectures the opposition about holding up this measure. We are bad boys.

The minister is not breaking new ground with this measure. This is old legislation and we are only adding to it. We know what has happened. We warned the former minister of agriculture what would happen when he increased the capitalization, and now we are increasing it again. The minister has his eyes open on some occasions but he likes to talk to the newspapermen and leave the wrong impression. I feel the minister will have to admit on this occasion that this measure could have been sent to a committee without too much loss of time and that the whole bill could have been improved. It is a lot of nonsense to leave the impression that we are holding up the measure just for the sake of holding it up.

Mr. Peters: I believe, Mr. Chairman, that I can endorse many of the statements made by the member who has just spoken in so far as two points are concerned. The first one is that we should have sent the bill to a committee. Second, it is not really going to make that much difference to any farmer whether or not we pass the bill now or six months from now. The Farm Credit Corporation has a considerable rigamarole to go through, such as surveying the land and checking titles, and I have found that this sometimes takes a year. On some occasions it has taken two and a half years.

I am not particularly concerned whether or not we pass this measure now. I feel that the minister raised a number of very interesting problems this afternoon that should have been discussed in a committee. One of them relates to the capitalization of the Farm Credit Corporation. We are raising the capitalization from $40 million to $53 million, but I am not sure just what that means. I gather this is a little like setting up a bank. You put in some money and the bank can borrow against that. However, the corporation is not borrowing against that money because the corporation gets the money from the federal government; they do not borrow the money at all.

Mr. Olson: I can help the hon. member by simply telling him the statute clearly sets out that we cannot owe the Minister of Finance more than 25 times the capital.

Mr. Peters: I know that, but the $40 million is only a figure.

Mr. Olson: It is the amount parliament has approved and we are asking parliament to increase it; that is all.

Mr. Peters: I still do not see what relationship the capitalization has. We might as well have operated by designating the corporation as an agency rather than passing an act. The corporation could have been an agency of the Minister of Finance. Then, when the corporation received money it would have been paid to the Receiver General of Canada. This bill will not really solve any problems except the one caused by the fact we have committed more than the $40 million.

Let me give the minister an example. Let us suppose the corporation has a billion dollars out which it has borrowed from the Minister of Finance under the act. Obviously the corporation has some payments coming in. Suppose the corporation paid the Minister of Finance the amount of money it borrowed,

but the amount of money coming back from the farmers was twice the amount it owed in that current period. What does it do with that extra money coming from the farmers on outstanding loans? It is my opinion that money would go into the consolidated revenue fund. We do not really have a revolving fund at all.

The minister said he was willing to pick up the costs of the corporation. We do not now pick up all the costs because the cost of the Farm Credit Corporation amounts to about $6 million. There is some profit on the money borrowed from the Minister of Finance, and that amounts to between $2 million and $3 million. The total assets will amount to about $3 million. All we are doing really is picking up half the operating costs.

If we had this bill before a committee we might consider, in the light of experience, changing the method of financing the Farm Credit Corporation. If we could establish a revolving fund, we might find we had done very well some years and less well other years. In looking over the amounts the corporation has borrowed from the Minister of Finance, I would say it did not do badly until about 1965. There have been periods when the corporation has borrowed at a greater rate than 5 per cent but most of the borrowing has been at a considerably lower rate than that. It was not until 1967 that the rate on the borrowing reached 6 per cent.

If the minister is not going to pick up all the operating costs but is going to pick up some through the estimates of the Department of Agriculture, he is going to be left with $3 million. This seems to be a fairly static figure in so far as the profits of the corporation are concerned. I am sure it would represent a little more than 1 per cent of the borrowings that will be made in the current year at more than 6 per cent. By using the profits of the corporation, we could reduce the rate to 5 per cent and we would not really be in need of this borrowing.

I think the crux of this bill hinges on the rate of 8 per cent. Some of my farm friends have said that it is really their business to decide how much they can pay for credit. I think it is not really their business because we have a responsibility not to pass legislation which will result in the elimination of many farmers. Since we made the Farm Credit Corporation fit in with the veterans farm legislation we have been working on a very close tolerance. If you look at the page of the corporation's report which indicates the age of the farmers applying for these loans, you will find that things are not going to get any better and probably will get much worse. The number of loans made in the age group 35 to 54 has increased by almost 80 per cent. If the maximum period of the loans is 29 years, the borrower will be at least age 64 and at the most 84 years before repaying his loan. I suggest that this means we are skating very close to the line. I point out that 2.7 per cent of loans granted to farmers over 60 have a 30-year repayment period. This means that these farmers will be in their 90th year before they make their last payment.

• (5:50 p.m.)

We have made large loans to the farmers to enable them to increase productivity. I suggest we have been very fortunate during the last 20 years in sustaining a very small cost to the Canadian public in administering these loans. The cost of operating farm credit I would say is less than $40 million during the last 20 years, which works out to less than $2 million per year. Therefore I suggest that the cost borne by the taxpayer is very small indeed.

When we were amending the Bank Act we were asked to free the ceiling so that the interest rate on loans could come down to 4 per cent. At that time the minister was on this side of the house and he was skeptical of that statement. Many of us are still skeptical because we find interest rates considerably above 6 per cent. The increase in interest rates has forced many people to borrow money at rates they cannot possibly afford. Bankruptcies are taking place in the service industries in agricultural communities. Every time I return home at week ends I find auction sales taking place. Farmers are selling out.

There are two reasons for these sales. A farmer may be capitalizing on his investment over the years and is selling his land to make a capital gain. However, many farmers are selling out because they have reached the stage where they must either liquidate their holdings or expand their operations. I have talked to many people engaged in the manufactured milk industry, farmers who are in their 60's and they are now told that they must buy a bulk milk cooler and embark upon bulk handling. This involves an expenditure of $20,000, and it is impossible to borrow $20,000 from the Farm Credit Corporation at 5 per cent. If the rate were even 6 per cent this would more than double the number of farmers involved, the percentage being so close to the margin.

The farmers have been asked to increase their production, which can only be done by expansion of holdings and enlargement of facilities. For this purpose they have been lent money. I think that the Farm Credit Corporation officials should be very proud of the job they have done in supervising credit, advising on credit matters, and in many cases discouraging people from borrowing money when it was obvious that the granting of a loan would be a catastrophe for the farmer concerned.

We as Canadians are obliged to have some say in the development and progress of the Farm Credit Corporation, and it is my opinion that no service will be done to small family farm units in Canada by allowing the minister to set the interest rate by order in council. If the minister is allowed to do so there will be the same relationship between the borrowing of money from the Minister of Finance and the loans that the Farm Credit Corporation will be able to make.

In 1961 when we discontinued the old farm loan board and set up the Farm Credit Corporation we decided that an interest rate of 5 per cent could be carried by the borrowings that the minister was making. The minister was borrowing money at that time at around 4 per cent, and this allowed for a 1 per cent margin to enable the corporation to make a reasonable profit on its operations. The minister is probably borrowing money today at 7 or 7½ per cent. If the Minister of Finance is going to float his bond issue at 6½ per cent over 14 years, then he will have to borrow money for the Farm Credit Corporation at a higher rate than that. This is going to mean that the farmer will have to pay about 8 per cent if the Farm Credit Corporation is going to continue to carry itself.

If the minister intends to carry the cost of the corporation's operations in the department itself, then obviously he will have to amend the bill. He has said he will carry it and the only way he can do so is by amendment. At the moment the corporation is carrying a large portion of its expenses from its own income. This has a great bearing on the rate at which you can borrow money, the rate at which you lend it, and the administrative cost of making such loans.

If single unit family farmers will be required to borrow money at more than 5 per cent interest, then the situation will be calamitous. To operate any other sort of business the turnover on capital investment must be at least three and a half times. No small business could operate today unless it could produce a gross return on capital investment of at least three and a half times. Our farmers are lucky to get a gross return of one half their capital investment. May I call it six o'clock, Mr. Chairman.

The Chairman: Order. It being six o'clock shall I 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?

Some hon. Members: Agreed.

Progress reported.

• (6:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Winnipeg North (Mr. Orlikow), Indian Affairs—request for reconsideration of Departmental reorganization; the hon. member for Quebec East (Mr. Duquet), Northern Development—inquiry concerning the fate of the replica of the *Grande Hermine*; the hon. member for Parry Sound-Muskoka (Mr. Aiken), Nuclear Power Agreement—Canada-France.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on the order paper, namely, notices of motions.

SHIPPING

SUGGESTED REVIVAL OF CANADIAN MERCHANT MARINE

Mr. Thomas M. Bell (Saint John-Lancaster) moved:

That, in the opinion of this house, the government should consider the advisability of reviving the Canadian merchant marine.

He said: Mr. Speaker, this motion has been on the order paper before and has been the subject of debate in the past. I have in mind the full development of an integrated merchant marine policy which would include the ownership, building and operation of ships in Canada. As I have indicated, we have discussed this subject on numerous occasions over the years. I pay tribute to Mr. Howard Green, a former member for Vancouver-Quadra, who was always an advocate of a Canadian-owned merchant marine and a full shipbuilding policy.

Suggested Revival of Merchant Marine

The current circumstances that bring this subject to the attention of the house are, first of all, the remarkable new concepts in transportation which are now becoming apparent. We envisage, as everyone knows, the shipping of bulk cargoes across continents and around the world on a land bridge basis. Western members have been talking about Roberts Bank. We have ideas about transportation and containerization in the east, and if we ever get the Minister of Transport (Mr. Hellyer) in the house we have questions to ask about what he is planning on the east coast in this regard.

The second circumstance which makes an approach to this subject imperative is the acute difficulty that the shipbuilding industry is experiencing in Canada. The industry has always known trouble but now it is facing an extremely tough situation. The west coast yards are in the doldrums and every yard on the east coast is faced with serious decisions. I mention now a matter which arose during the last election campaign because I think it gives us the key to the problem today. The yards along the St. Lawrence were forced to lay off men because of their failure to obtain contracts and because of the lack of government business. The minister of manpower at that time was faced with serious embarrassment. He was put on the spot. The Montreal *Star* of June 17 last reported the minister's reaction as follows:

> Manpower minister Jean Marchand says Canada made a mistake in selling its merchant marine after world war II and that he will do everything in his power to restore it.

And, later:

> "I will strive with all my might", concluded Mr. Marchand, "to revive the merchant marine of Canada."

This is the first occasion on which both the owners and the shipbuilders are substantially united in an approach toward a fully integrated marine policy. The history is well known. We know that in the early days of this country Canada was a great seafaring nation, the fourth largest in the world. My home town of Saint John, the constituency I have the honour to represent, was in the forefront. We were proud of the ships and of the ship owners in that city as they made contact with the entire world. The trend which became apparent was that in years when there was some government assistance and times were good, the shipbuilding industry was healthy. But when the government was uninterested and when economic conditions were adverse, the shipbuilding industry fell into the doldrums. The situation changed as the government's economic policies altered.

The story is best illustrated by an article which appeared in the Saint John *Telegraph-Journal* of September 5. After recounting the history of Saint John the writer said:

> It was a shift in the financial centre of gravity of Canada that moved shipbuilding inland with it, and in turn an evolution in trading patterns and national policies that virtually stripped Canada of its merchant marine.
>
> A nation with one of the world's longest coastlines, more dependent than almost any other on foreign trade, has let both its shipbuilding and its shipping go by default to others.

One of the leading exponents of a creative policy in this regard is Mr. P. B. Papachristidis who is well known as a shipbuilder and operator. He outlined the problem when he spoke in Montreal on October 22, 1968, and I quote the following from his speech of that date:

> What is needed in this respect is not the advise of experts. It is rather a profound soul-searching by our legislators, governmental officials, and the people of this country. We should ask ourselves: Is it possible for all other nations to be mistaken in their considerations of a national merchant marine? Or perhaps we Canadians are wrong? The investigation and the study of this problem are as simple as that.

In the course of another speech he said that Canada's difficulties in this area arose "because we do not have a maritime conscience." Another way of putting this would be to say we are a nation of landlubbers. The figures of employment in the shipyards reveal a desperate situation; they show a decline from 17,000 to about 9,000 now. The point has been reached at which Canada has a marine fleet smaller than that of Switzerland. Indeed, Mr. Onassis is operating more ships than the Canadian navy and merchant fleet combined.

I say that despite its recent announcement—and I realize that hon. members on the government side will be standing up in their places to talk about the extended study of the merchant marine question which is going on—the government is stalling once again in connection with this matter. They have had review after review. Two or three have been going on within the department. The transport commission has been studying the subject. And now they are to carry out yet another investigation.

As Mr. Papachristidis has said, this is not the time for experts. It is a time for the legislators to stand up and be counted. Another thing which annoys me in connection with

the Canadian Transport Commission is that they have their own expert staff—one of them is a former member of this house—yet immediately something crops up they engage the services of a group from Toronto to act as their experts on this subject. To me, this does not add up. I believe we should follow a fully integrated marine policy with owners, operators and workers sharing in it equally. There should be full consideration of the shipping, ship repairing and shipbuilding industries. We must consider the training of our seamen. We must adopt the full measures necessary to meet our navigational problems on the coast. I include in this marine policy the great lakes and deep sea problems.

• (6:10 p.m.)

The pilotage commission has made its report. Legislation of a piecemeal nature is forthcoming which I understand refers to the great lakes. While this is a help it will not do a complete job. As I mentioned, the Canada Shipping Act is under review, and an expansion is going to take place in our study of merchant marine matters. But when are we going to hear the results? I suggest it will be 1970 before these matters come up again. The workers in Quebec, the maritimes and on the west coast must have something more than reports, reviews, studies and research.

When the former minister of manpower and immigration was under pressure during the recent election campaign, when people were breathing down his neck and he became excited, he made certain promises. That was a horse of a different colour then. Now the Liberals have been returned to office and to take the pressure off they call everybody together and say, "We have the answer. We will simply expand the study now taking place. That will give us two or three more years of grace. Hopefully these shipyard workers will go to another industry and that will be the end of the matter."

I put forward five suggestions that could be considered. They have been proposed by others as well. First, I suggest that there be a concerted long term government policy. The shipping industry and the shipbuilders have to know where they fit, even if it is not the best place in their own interests.

Second, there must be full protection of their interests. The Canadian people involved in this segment of our economy must at least be placed in a competitive position with foreign interests. This applies to seamen, to pilots, to shipbuilders and to the difficulties now being experienced on the great lakes with foreign interests, particularly iron ore companies who have moved in with their own vessels.

Third, we would require a new policy of strict nationalization so far as ship construction is concerned. We must have a greater appreciation of the difficulties of shipbuilding. Every effort must be made to ensure that all companies deriving income of any nature from our Canadian economy be required to build their ships in Canada. I take a hard line on this. I think that the C.P.R., Shell Oil, and other companies that are going outside Canada to have their ships constructed should be required to have their ships built in Canada. You may call this a restrictive policy if you like, but many of these companies are getting direct transportation subsidies and I think it should be incumbent upon them to build their new vessels in Canada.

Fourth, I think that a full policy of depreciation, perhaps upwards of 200 per cent, is one of the best answers in the interests of the shipbuilders. I understand that for the first time ship owners and shipbuilders are in substantial agreement that a depreciation policy would be in the long term interets of both.

Fifth, I believe that low cost financing should be made available to those engaged in any sort of marine activity. Low cost money is available for many other segments of the economy. We are at present discussing bills to assist the agricultural economy. We are all in favour of them. I ask, why cannot shipbuilding and shipping operations have the same assistance through low cost financing, with government guarantees?

These are my suggestions. Hon. members will recall that I have placed them before the house previously because this subject is a particular interest of mine. In September of this year I read an interesting article in *Ship-Shore News* headed "Canada Should Build Our Own Merchant Fleet." It read in part:

> During the second world war, Canada showed that it still had a maritime potential second to none. Its sailors earned the admiration of the world's navies.
>
> There is no hidden "mystique" about the ocean that should give us any feeling of incompetence of the globe's trade routes.
>
> All branches of shipbuilding, water-borne transportation and industry served by it, port authorities, and the fishing industry should unite to persuade Ottawa—where sits the government of the world's second largest country—to encourage the building of a Canadian merchant fleet.

I sum up by saying we must have a fully integrated marine policy. New concepts of

transportation and the serious losses being experienced in our shipbuilding industry bring home this need more urgently than ever. The ship owners and shipbuilders are united, except perhaps on some details, with respect to an approach to the problem.

I have pointed out the history, the good times and the bad, the ups and the downs. I have said that a definite government assistance policy is needed. Our shipyards on the east and west coasts are in desperate shape. We simply cannot stand by and wait. I have put on the record the promise made in Quebec by the former minister of manpower and immigration during the heat of the election. His was one promise that was made clear during that campaign.

Expanding the present review with another commission and hiring another bunch of experts does not make sense to me. We do not need the experts. All we need are legislators, hon. members who will stand up here tonight and be counted on this matter. When government members get up to talk out this motion with their set speeches, as we know they will, as we know they have done for years, I suggest they should think twice, particularly those of them from Quebec who have an obligation to carry out what was said during the election campaign. I suggest that they should stand up and demand that this policy be referred to the transport committee where we can review the entire matter and make our recommendations in the proper way.

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

Mr. Bell: Yes.

Mr. Lachance: In order to revive the Canadian merchant marine, does the hon. member favour a system of subsidies to Canadian ship owners instead of to the shipbuilding industry?

Mr. Bell: Mr. Speaker, I thank the hon. member for that question because I know he is interested in this subject. I do not have the final details. I have been careful about that. I do not know whether we should put the figures in a computer and come up with something. I merely say, and I welcome this opportunity to repeat myself, that the ship owners and shipbuilders are for the first time in substantial agreement on a large term policy to meet the marine problems of this country. Whether they differ in detail or not, I think we should remember that many ship owners are also shipbuilders. This situation exists along the St. Lawrence and in the maritimes.

• (6:20 p.m.)

The details do not bother me. I think low cost money and some method of depreciation are the answer. I am not afraid of the subsidy that will be involved. All other nations subsidize their merchant navies. We will have to subsidize this industry. At present we are subsidizing practically every other industry in the country. It is ridiculous for us to require that our shipbuilding industry and shipping operations must stand on their own two feet. I have taken the liberty of answering at length in the hope of being helpful to the hon. member.

Mr. Walter Deakon (High Park): Mr. Speaker, before commencing my submission I would indeed be lax if I did not commend the hon. member for presenting the motion which is before us. I understand he has brought forward similar motions on many other occasions, but obviously to no avail. I believe that finally his efforts shall bear fruit.

Canada's merchant fleet has had a long, shaky history, sometimes successful and many other times troubled. Initially wooden sailing ships were built in Canada by both the French and English settlers mainly for the purpose of fishing and for use in local trade because of the maritime policies of both the French and English régimes. When they were permitted to trade with foreign countries the merchant fleet increased more rapidly. The development of central Canada and settlement of both the western part of the United States and Canada, together with the construction of Canadian railway lines, helped stimulate shipping and ship construction especially on the great lakes.

The peak of Canadian shipping was reached in 1880. Since then there has been a constant decrease until at the present we have only one ocean-going vessel under Canadian registry. This has come about because of the present legislation whereby Canadian coastguard trade is open to vessels on the registries of all commonwealth countries on the same terms as vessels of Canadian registry. This has made it difficult for ships of Canadian register to compete. Because of the various subsidies, tax credits, and so on, the cost of operating a vessel of United Kingdom registry is substantially less than the cost of operating a similar vessel under Canadian registry. The difference in cost, as estimated by ship owners, is in the

vicinity of $100 million. This has discouraged Canadian registration. It has created chartered foreign flag shipping which has been a burden to our nation in the form of an adverse trade balance estimated to be $125 million annually. This is reported in the "Shipping Register and Shipbuilder" for 1963. This amount has increased in recent years.

I should like to quote from an article which appeared in the Vancouver *Sun* of Tuesday, February 13, 1968, written by Ron Rose, *Sun* staff reporter. It reads as follows:

> Advocates of a merchant marine say it costs Canada $150 million a year for outside carriers of our exports and imports.
>
> They also say there are other compelling reasons for a merchant fleet: providing careers for young men attracted by the adventure of life at sea; the need for a sea-lift in combating brush-fire wars of the hydrogen bomb stalemate; and not least, the question of national prestige.
>
> Even the emerging nations are busily building fleets of their own.

If these funds which I have stated are being lost to foreign trade were spent directly to subsidize Canadian ocean shipping lines, this would be a major stimulation in the bringing about of a healthy Canadian industry. The present policy represents a gift to foreign interests from which the Canadian economy derives no benefit.

Figures compiled from Lloyd's Statistical Register show that distribution of world shipbuilding has undergone some significant changes. Since 1938 Japan has increased its share from 14.6 per cent of the total to 22.7 per cent in 1961, a relative increase of 50 per cent. Sweden's share has increased from 5.5 per cent to 9.3 per cent, a 70 per cent relative increase. Britain, on the other hand, has dropped from its 1938 percentage of 34 per cent to 15 per cent in 1961. Germany has come close to regaining its prewar share of 15.8 per cent. Canada is not even listed.

At this time I should like to make some comment about the merchant fleet of the Soviet Union today. I wish to refer to an article which appeared in the *Gazette* of Monday, January 8, 1968. It reads as follows:

> At present the Soviet merchant fleet includes 1,300 vessels with a total tonnage of over ten million tons. In the main, these are new ships—80 per cent of them were built in the last decade. The U.S.S.R. fleet is the sixth in the world, and is steadily being replenished with new, technically improved ships. Its cargo carrying capacity is increasing by about a million tons a year.
>
> An important role in the replenishment of the Soviet merchant fleet is played by home shipbuilding yards, which have of late built a large series of dry cargo ocean-going turbine ships.

We might compare that with what we are doing in this regard. The building of a merchant fleet I believe would be a big shot in the arm for the shipbuilding industry and all the allied industries that depend on it. It would provide for expansion of our share of world trade and would play a creative role in enlarging Canada's exports. It would permit opportunity for the technical renovation of an important sector of our heavy industry and provide useful and much needed employment for thousands of Canadians. We have all heard of the disparity in respect of the eastern seaboard. This would offset some of this. As previously mentioned, I submit that this would help liquidate our chronic deficit in our balance of international payments, one of our major economic problems.

Now I should like to refer to an article related to a statement made by Leonard McLaughlin, president of the S.I.U., which verifies the statement I have made. This appeared in the *Gazette* of Thursday, April 25, 1968, and reads as follows:

> A number of Canadian companies were interested in bringing their ships under Canadian registry, and such a move would bring benefits in taxes, employment, gross national product and balance of payments.
>
> "We think it is fantastic that a trading nation of our calibre ... has no ocean-going fleet at all."

Canada, which geographically is bounded by the Atlantic, Pacific and Arctic oceans, as well as having an inland network of lakes and rivers, needs a deep sea merchant marine of satisfactory tonnage at least sufficient to assure a more substantial transportation of its exports and imports.

I am happy to say that I believe our government is aware of this problem and, through the water transport committee of the Canadian Transport Commission, has recently embarked upon a feasibility study of a deep sea merchant marine. This study was authorized by a cabinet decision and elaborated on in a press release of the Minister of Transport (Mr. Hellyer) dated August 27, 1968. This study is not unlike corresponding studies proposed by the committee on shipping of the United Nations conference on trade and development; nor is it unlike the United States study which is currently under way and which is reported in the *Journal of Commerce* of Thursday, June 20, 1968.

In this study it is suggested that consultants be engaged to supply quantitative and qualitative information with regard to "in house" expertise on all aspects within their competence and likewise secure evidence of

effective access to external expertise in so far as this may be necessary. It is felt that probably external needs are most likely to arise in the practical commercial aspects of international shipping operations. Central to the whole project will be a cost-benefit study which would analyse the potential benefits accruing to Canada from the operation of a deep sea fleet in terms of tax revenue, employment both ashore and afloat, balance of payments, creation and preservation of technical and managerial skills, and evaluation of the benefits in relation to the cost to the nation in terms of possible financial assistance. In the course of the examination, the policies of foreign nations in respect of subsidization of ocean shipping by direct grants, preferential tax treatment and other forms of financial and commercial incentives shall be considered.

• (6:30 p.m.)

The terms of reference as set out are as follows:

The purpose of the study is to assist the Canadian Transport Commission in the discharge of its statutory responsibility to:—

"inquire into and recommend to the minister from time to time such economic policies and measures as it considers necessary and desirable relating to the operation of the Canadian merchant marine commensurate with Canadian maritime needs;"

Its essential requirements are:—

(a) To measure the competitive potential of a privately owned Canadian flag merchant fleet in Canadian ocean trades.

(b) To estimate the public cost of practicable means of encouraging development of such a fleet to different levels of participation.

(c) To evaluate the resultant benefits to the Canadian economy of any such development.

It is in five parts, Mr. Speaker. First, there is a cargo flow study; second, a vessel type study; third, a cost study which is divided into two sections, namely a private sector and a public sector. The fourth part is a carrying capacity study, and the fifth is a cost-benefit study, which is the focal point of this whole series.

Communications on this subject, for my hon. friend's information, should be in the hands of the water transport committee of the Canadian Transport Commission by not later than November 15.

It is regrettable that this proposed study does not include, as part of its subject matter, an inquiry into ship construction. I have inquired about the reason for this and have been informed that in view of the water transport committee such a study would be outside the scope of the section of the National Transportation Act in pursuance of which the study is being conducted. I refer especially to section 15(1) (f).

Mr. Mather: Mr. Speaker, I rise on a point of order. I do not think we have a quorum in the house at the present time.

Mr. Deputy Speaker: Order, please. I shall have to seek instruction.

For the edification of the house, and more particularly for the hon. member who has the floor, I should like to read citation 60(1) from Beauchesne's fourth edition as follows:

Any member may direct the Speaker's attention to the fact that there is not a quorum present. The Speaker will proceed at once to count the house, and if there are not 20 members present, including himself, the Clerk will take down the names, and the Speaker will then adjourn the house without question first put until the usual hour on the next sitting day.

I now direct the Clerk to take a count.

And on the count being made, more than 20 members were declared to be present.

Mr. Deputy Speaker: I would ask the hon. member for High Park to continue.

Mr. Deakon: Thank you, Mr. Speaker. Before I was interrupted I was referring to section 15(1)(f) of the National Transportation Act which states:

(f) inquire into and recommend to the minister from time to time such economic policies and measures as it considers necessary and desirable relating to the operation of the Canadian merchant marine, commensurate with Canadian maritime needs;

The counterpart of this provision appeared in the former Canadian Maritime Commission Act, which included a reference to the shipbuilding industry. It should be noted that in its re-enactment in the National Transportation Act, all reference to shipbuilding was omitted. The effect of this omission was to remove from the Canadian Transport Commission the direct statutory responsibility for shipbuilding.

I respectfully submit, nevertheless, that notwithstanding this statutory handicap, steps should be taken by the government to enable the proper authority to inquire into ship construction in Canada. If this were done, together with the present study by the water transport committee and the recent initiation by the federal government of a thorough study of Canadian maritime laws, we would be able to revive the Canadian merchant

marine; protect Canadian interests and be reinstated in our righftul position as one of the world's major users of shipping.

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, I rise at this time to speak on the motion which has been presented to the house with considerable eloquence and conviction by my colleague the hon. member for Saint John-Lancaster (Mr. Bell). I feel there should be no difference in opinion on the part of hon. members of this house in respect of the advisability of passing this motion, which simply calls upon the government to consider the advisability of reviving the Canadian merchant marine. Surely no one would argue that this is in any way an indication of an opinion that would be embarrassing to the government.

As an hon. member who represents a constituency in an Atlantic province, partially located on the Atlantic ocean, I have a great interest in the general well-being of the shipping industry and the seafaring industry. If there is any doubt as to whether we are qualified as a seafaring nation so far as the Pacific and Atlantic are concerned, the minute we consider our inland waterways, the St. Lawrence river and the Great Lakes that doubt must immediately disappear. Surely then we become a seafaring nation at least in our own estimation.

If I am correct in this assumption there should be no question in the mind of anyone, or any doubt about the desirability of the government's obtaining the opinion from this house. Surely there should be no question about the necessity of talking this motion out, so as to avoid a vote. Two members of the administration are listening at this time to the expressed opinions of hon. members. I should think this would be something the government would desire, rather than not wanting an opinion on the subject.

There is one other point upon which I am sure we can agree, and that is that we are an exporting nation. A large portion of our exports from the Atlantic and Pacific coasts must of necessity be moved by sea. Since these goods must be transported by the sea, surely a consideration of the advisability of reviving the Canadian merchant marine is a matter in respect of which we can all find agreement.

The hon. member for Saint John-Lancaster spoke with great knowledge about this subject, as he has done before and likewise, the hon. member who spoke immediately before me indicated that he has done his homework. He knows his subject and is supporting the resolution. It seems to me we should forget the fact that this is a private member's motion and realize that there is no necessity, as suggested by an hon. member, to talk it out.

• (6:40 p.m.)

I appeal to the members of the government who are listening tonight to let this matter come to a vote. Surely to goodness they are not going to allow this motion to be talked out, when—in my opinion—there is no need for any difference of opinion in this respect. If hon. members opposite would examine the resolution, they would find that it simply calls for the government to consider the advisability of reviving the Canadian merchant marine. What is wrong with considering the advisability of reviving the Canadian merchant marine? I have great respect for the two members of the government within sound of my voice tonight, and I hope they will be glad to take back to their colleagues the message from the house that the government should consider the advisability of doing something that in my opinion could not help but be in the interests of all Canada.

It is not my intention to delay the house and speak at length on the details of what might be done in this regard. The hon. member for Saint John-Lancaster has gone into the details, as have previous speakers. The principle involved is one on which there should be unanimous agreement in the house, namely, that it is advisable to consider the reviving of the Canadian merchant marine.

Mr. Macdonald (Rosedale): Mr. Chairman, could I ask the hon. member a question before he resumes his seat?

Mr. Flemming: Of course.

Mr. Macdonald (Rosedale): I have a quandary, and perhaps the hon. member can assist me. While I recognize the merits of his proposal, I know there are certain viewpoints on this side of the house that favour his point of view, and I also know that a number of hon. members wish to express their views on this question. The hon. member does not wish me to cut them off, does he?

Mr. Flemming: No, Mr. Speaker, I did not have that in mind. The hon. member for Saint John-Lancaster seemed to be of the opinion that the resolution of necessity must be talked out. It seemed to me that we should by mutual consent decide that it would not be talked out. The house leader for the government is here, and he is a gentleman of great

influence, although sometimes his influence on this side of the chamber is not as great as it is over there. There is of course a variation in the degree of influence he exerts.

I see no reason why we should not take a vote on this motion. Why is it necessary to do something because it has been done for the last 100 years? I see no reason why we should do something only because it has become the custom that a private member's motion be talked out; in other words, that it must be defeated. This is the effect of what happens with a private member's motion, because once it is talked out it goes to the bottom of the list and is never reached again until you are greyer than I am. Therefore I hope we will have a vote on this motion.

Mr. Richard J. J. Durante (Comox-Alberni): Mr. Speaker, I would like to point out that I agree this is a very important question, but unfortunately the members of the party to which the originator of the motion belongs do not consider it to be a very important question, because there are only two members of that party in the house at the present time.

Some hon. Members: Hear, hear.

Mr. Durante: I would like to commend the hon. member for Saint John-Lancaster (Mr. Bell) on the intent of his notice of motion, which I personally feel has considerable merit. However, it should be clearly understood that although at this time I want to go on record as supporting the intent of the motion, I do not necessarily support the idea that the Canadian merchant marine be revived. I say this because I wonder whether this is not really what the hon. gentleman has in mind in presenting his motion.

The notice of motion states that the government should consider the advisability of reviving the Canadian merchant marine. I would like to inform the hon. member for Saint John-Lancaster, and the house, that this government is presently conducting a Canadian deep sea merchant marine feasibility study. I would like to make reference to a press release dated August 27, 1968, in which the Minister of Transport (Mr. Hellyer) announced an expansion of studies already launched on the question of a Canadian deep sea merchant marine.

It is my firm personal opinion that this government should not embark upon any program, including revival of the Canadian merchant marine, unless that program is truly beneficial to the Canadian people or beneficial to that segment of the Canadian economy with which the program may deal. I am pleased that this is the policy of this government, which is confirmed in the terms of reference for the Canadian deep sea merchant marine feasibility study. These terms of reference include, among others, the following: First, to measure the competitive potential of a privately owned Canadian flag merchant fleet in Canadian ocean trades; second, to evaluate the resultant benefits to the Canadian economy of any such development.

The feasibility study will compare the daily cost of owning and operating Canadian ships to the daily cost of similar, typical foreign flat ships engaged in the same trades. I am confident that when the results of this study are received we will be in a much better position to determine whether we should revive the Canadian merchant marine. This government should ensure that as a nation we concentrate our efforts on those areas in which we are best suited. For example, Mr. Speaker, would we be able to be as competitive in the world market if we had our own merchant marine? Would the costs of building and operating our own merchant marine permit us to remain competitive on the world market, or would such costs make it necessary to increase the price of our commodities to such an extent that our export trade would suffer? Surely we must dedicate ourselves to increasing export trade, not decreasing it.

Then again, Mr. Speaker, there is little point in having our own merchant marine unless we use it to export our own commodities. To what extent would we lose out in world trade if such were the case? Would our wheat and lumber exports, for example, be as extensive as they now are if we could not guarantee, as we now do in many cases, that those commodities will be shipped in the vessels of the purchasing nation? There is every evidence to indicate that some countries are experiencing difficulty in exporting their commodities because they insist that those commodities be shipped in their own vessels. The consequence is that eventually the goods are given away at fire sale prices or are permitted to stockpile completely out of proportion.

Mr. Speaker, for fear that it may be misconstrued that I am unalterably opposed to a Canadian merchant marine, I had better present my views in favour of such a move but, I must reiterate, in favour only if it is economically feasible for us to participate. Nevertheless, regardless of the feasibility study report results which, by the way, are expected in

1970, it seems incongruous to me that a country such as Canada, with one of the world's longest coastlines, does not have an effective merchant marine.

Mr. Bell: Hear, hear.

Mr. Durante: Furthermore, a nation like ours, more dependent than almost any other on foreign trade, should never have let its shipbuilding and shipping go by default to other nations. This situation is even more lamentable in view of Canada's proud history as a seafaring nation. In the years following confederation, the statistics show that Canada ranked fourth among the ship-owning nations of the world. As recently as the second world war, Canada ranked third behind the United States and Britain as shipbuilders.

Today ships of foreign registry have captured significant portions of our trade, and to counterbalance the economic disadvantages of owning and operating a merchant marine, which I cited earlier, I would like to suggest that for every ton of shipping that is transported in other than Canadian vessels a certain number of jobs for Canadian seamen and a certain number of Canadian dollars are sacrificed.

Mr. Speaker, in conclusion I reiterate that I think it is unfortunate that since 1947, when Canada's ocean-going merchant fleet numbered 155 vessels, in has been reduced to only four vessels with a gross tonnage of 65,000 tons. I hope that the results of the feasibility study will indicate that it is economically advisable to place Canada once again in its correct posture regarding shipbuilding and shipping.

• (6:50 p.m.)

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I am delighted to be able to speak in support of the notice of motion, and I was interested to hear the remarks that have been made by hon. members on both sides of the house. I do not rise tonight as an instant expert on the problems of either the merchant marine or the shipbuilding industry, but I think in this debate we have heard a sufficient number of views to suggest that perhaps this subject is of great interest to a great many Canadians. As a member from the west coast of Canada, which formerly possessed a sizeable and flourishing shipbuilding industry, I have some real interest in the question. I would like to tell the house also that on a great number of open line shows during the campaign this issue was raised more than once.

I do not think it is any longer true today that our pool of skilled men from the industry can remain in Canada if we do not have a shipbuilding industry to employ them. They are constantly being drawn away to the United States. For example, frequently in Vancouver newspapers we see advertisements encouraging skilled people in the shipping trades to go to Seattle where they will find employment.

We do not have employment for these people to the same extent we once had, and I think this is a sorry situation. I realize that the development of the Canadian merchant marine is not the same as assisting the shipbuilding industry on the Pacific coast or anywhere else in Canada, but the fact remains that since world war II the Canadien merchant service has been gradually disappearing. The way in which it has been allowed to atrophy is shameful. Almost any kind of manufacturing industry in Canada should be treasured, because most of our exports—and we are among the world's most active traders —are in primary products, and they are usually less than one tenth as productive in terms of employment of workers than our secondary industries.

Our Pacific coast region is developing very substantial trading arrangements with Japan. I have figures for the last three years which I should like to read from the *Canada Japan Trade Council Newsletter* in which it is said that Canada sold to Japan in 1965 goods to a value of $316,187,000, in 1966 to a value of $393,892,000, and in 1967 to $572,156,000. On the other hand Canada bought from Japan in 1967 goods to a value of $304,678,000. What I would like to know is how much of this trade is being carried in Canadian ships. I would hazard a guess that not an ounce of it is.

Members of parliament have undoubtedly heard about the controversy surrounding the Roberts Bank superport. Federal and provincial funds have been poured into it and all railroads are interested, and ready to turn the whole planning of the mainland upside down to get the business. What is the business? It is $1 billion worth of coal that is to be sold to Japan in the next 15 years. Canadians are going to build a brand new port, extend rail lines and change the whole character of the region to deliver B.C. coal to a B.C. port to be met by Japanese ships. What kind of ships are these? Certainly they are not the 10,000 ton Liberty ships that we saw during the war.

These are super carriers up to 100,000 tons, or ten times the size of the Liberty ships. On the drawing boards are ships almost five times that large. Who will build these vessels? Not us. Who will sail in these vessels? Not Canadians. Perhaps we may be able to specialize in building certain kinds of ships. We cannot beat the Japanese in all types of shipbuilding but we might be able to specialize. The building of grain boats and off-shore drilling rigs, and generally vessels for the transport on inland waters of grain and ore should be encouraged. We have allowed our exports to be carried on foreign ships, and ships that are hiding their true ownership under a registry of a country other than Canada.

In the last five years we have seen our employment in the shipbuilding industry on the west coast dip from 2,700 to less than 700. Why have we allowed this to happen? I am not interested in allowing our country to be limited to the role of an adjunct or an ancillary to the United States. Why can we not emulate our great good neighbour to the south in developing and protecting our merchant marine and in seeing to it that at least half our trade is carried in Canadian ships manned by Canadian crews?

I do not wish to be guilty of talking this motion out, I should like to leave that to members on the other side of the house. Therefore I will skip a great deal of the material I wanted to cover. A number of the points of view I was about to put before the house have been eloquently expressed by other hon. members, but I should like to leave the house with two thoughts. Certainly we are interested in the study which we learned the other day is to be made into the Canada Shipping Act. We are certainly interested also in the feasibility study by the Department of Transport. I would agree that no one would be interested in proceeding to develop a merchant marine if it were not in Canada's best interests. It would be ludicrous to do this purely for purposes of nationalism.

It has been shown in the past that it was in Canada's interest to have a merchant marine, and I think that, after all the stalling has been overcome, the study will probably indicate the same thing. I hope so; and I hope this is the beginning of a new active role for the Canadian merchant marine, and the end of an old passive one.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I am distressed that I have been given only one minute by the hon. member who has just sat down in which to make a few points on the shipbuilding industry in Canada. It was a great mistake on the part of many of the long-winded speakers who preceded me to attempt deliberately to kill this motion, when others have opinions to express.

I should like to point out in the very short time remaining that any nation which has ports such as Canada has must have a ship repair facility, and to keep the ship repair facility in operation, we must construct ships in the slack periods.

It is necessary to point out that a new shipbuilding policy is required, because at present, despite highly skilled workers the productivity per man hour in the Canadian shipbuilding industry is only three quarters of that in the Japanese yards. I think the hon. member who introduced this motion should bear in mind that the five points he mentioned were nothing more than the old story of more subsidies and more government expenditure for the shipbuilding and ship owning people of this country. He said nothing about increased productivity.

Perhaps the hon. member should have directed his remarks to the industry itself, and encouraged it to take a serious look at its productivity, rather than asking the government to spend more on supporting a presently inefficient industry. If this country is to have efficient shipyards, shipbuilders themselves must take the responsibility for performing their work on the same sort of factory and mass production basis that is now used for production of automobiles. We cannot continue in the old way which results in the cost of ships in Canada being well over double that of those built in shipyards in Asia.

Mr. Deputy Speaker: Order, please. It being seven o'clock the house will now adjourn until 8 p.m.

[*Translation*]

Mr. Raynald Guay (Lévis): Mr. Speaker, I rise on a point of order.

Since I was the member most concerned in this matter, and in view of the facts which happened in my riding, I wish to tell the house that if the New Democratic party member representing a riding whose name I cannot remember had not caused the house to lose ten minutes by inquiring about the quorum, the bill could have come to a vote before seven o'clock.

[Mr. Rose.]

[*English*]

Mr. Deputy Speaker: Order, please. The house will now recess until 8 p.m. pursuant to standing order 6(2).

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE AMOUNT, RATE OF CALCULATION, ETC.

Hon. Otto E. Lang (for the Minister of Industry, Trade and Commerce) moved the second reading of Bill No. C-113, to amend the Prairie Grain Advance Payments Act.

He said: Mr. Speaker, when this measure was at the resolution stage it was given a fairly full discussion on its merits, the resolution having revealed a good deal of the contents of the bill. I think it is clear that it is an extremely useful measure and that it will do a great deal to assist the prairie farmer to obtain needed cash at this time. The principle of the bill is very simple. The amendment contained in it will double the amount of money which is obtainable by way of cash advance. This is the central portion of the amendment contained in the bill.

The maximum amount available will be increased from $3,000 to $6,000. The amount calculated per bushel of wheat, oats and barley will be doubled in each case. The other amendments contained in the bill relate basically to the change in regard of the unit quota in that all quotas, the unit and ensuing quotas, will be treated in the same way. The grain, therefore, which a farmer has on hand will be all available to him in calculating the advance to which he is entitled. In the same way, the grain he delivers, whether on a unit or on quota, will be used to repay the advance.

I think a great deal has been said about the merits of this bill within these last few days. I would not want, Mr. Speaker, to say a great deal more at this time and in any way slow the passage of the measure, now that it is again before the house.

Mr. J. H. Horner (Crowfoot): I in no way want to hold up the passage of this bill, Mr. Speaker. I should like to convince the members of the government of the genial mood in which members of the opposition are today.

In essence, we gave permission for the Minister of Agriculture (Mr. Olson) to visit the constituency of Pontiac this evening. Forgive me if I remind hon. members, Mr. Speaker, that the cash advance legislation would not have been dealt with this evening unless we had worked out an agreement to enable that to be done. I know the Minister of Agriculture took it upon himself to visit the old constituency of Pontiac this evening. It was in this constituency that my father was born, and a great many Horners live there today. In fact, if one looked at the telephone book for that area, I am sure he would find more Horners there than in any other part of Canada. While I may well be a neighbour of the Minister of Agriculture in western Canada, it gives me a great deal of pleasure to consent to putting aside the farm credit bill this evening so that the cash advance legislation could be considered. In this way, we have permitted the Minister of Agriculture to visit my father's birthplace.

Mr. Speaker: Order, please. May I remind hon. members that our intention this evening is to consider Bill No. C-113. The hon. member has had the floor for some time but has said very little, if anything, relating to this bill.

Mr. Horner: I accept your words of wisdom, Mr. Speaker, in directing me back to the course which I must follow. I would be the first to admit I was going astray. I should like to say, in the hope that you will forgive me, that I could not help but draw the attention of the house to the fact that we westerners, some of us at least, did originate in the east, and we are happy to know the Minister of Agriculture is paying some attention to the problems of eastern Canada. I would be the first to congratulate him for that effort.

Now, if I may turn my attention more specifically to Bill No. C-113, I may say that back on October 4, which is quite a while ago, I directed a number of criticisms at this measure. However, I am not going to remain rigid or fixed in the positions I took at the resolution stage. On October 4 the minister and I got into a discussion with regard to the availability of cash advances and the ability of the farmer to repay those cash advances. I keep referring to the measure as cash advances, which is the common expression in western Canada, but actually it is the Prairie Grain Advance Payments Act.

Prairie Grain Advance Payments Act

• (8:10 p.m.)

The interpretation of the act in the past was that a farmer would receive 50 cents on the dollar per bushel of wheat delivered, the other half dollar going to repay the advance under the legislation. On October 4 the Minister without Portfolio, who in effect is an honorary parliamentary secretary to the Minister of Trade and Commerce (Mr. Pepin), said that under the proposed bill farmers would be paid a cash advance of $1 per bushel, and that the repayment would still be at the rate of 50 per cent of that amount. The minister will correct me if I interpret his remarks wrongly but I think that he said that the farmers would repay at the same 50 per cent rate per bushel delivered under their quota. I and a number of other members of the opposition fail to comprehend how this system would fully repay the cash advance within the year, particularly if the quota remained at a staid and solid six bushels per acre.

The minister also said on October 4 that he would kindly consent to send me a table that would fully explain this system. I would inform you, Mr. Speaker, that the minister did do this, and I should like to take the liberty of referring to the table he sent me. In the speech I made on October 4 I cited the example of a farmer with 1,000 acres, a six bushel per acre quota, delivering 6,000 bushels of grain and receiving a maximum allowance of $6,000.

My first question to the minister is this. The minister gives an example of a farmer with a maximum allowance of 4,000 bushels of No. 2 wheat with 800 acres. If the table is based on a six bushel per acre quota, I cannot conceive how the farmer is, first going to deliver 4,000 bushels.

Mr. Lang (Saskatoon-Humboldt): Would the hon. member look at the lower half.

Mr. Horner: The minister says I should look at the lower half of the table which stipulates a maximum allowance of $4,800. If the farmer receives only $1.30 a bushel he will repay his advance at the rate of 65 cents per bushel. So how can he deliver 4,800 bushels and hope to repay $4,800 on a repayment schedule of 65 cents per bushel? The farmer is bound to have a carryover. That is the first point I would like to make.

As was explained on October 4, Mr. Speaker, if a farmer does have a carryover this would be an obstacle in the way of his obtaining a further cash advance the following year. In other words, he will only be permitted to borrow the difference between what he owes and the maximum allowed to him the following year.

There, Mr. Speaker, is where the crux of the problem lies. If the minister would stand in his place this evening and say it is quite conceivable that that farmer would have a larger quota than six bushels per acre delivered, then perhaps I would rest more at ease, because the farmer might be able to repay his debt if that were the case. However, the minister has not said that, and even with his tables I do find real difficulty in understanding how he makes provision for the farmer to repay within the year the amount he is allowed to borrow.

If the minister tells the house that any amount the farmer is unable to repay will be carried over to the next year, then that is one thing. But how with a six bushel per acre quota can the farmer repay the total amount borrowed? The bill provides an increase in the maximum amount lent of from $3,000 to $6,000, and I am trying to establish whether this amount is the yearly maximum. Is this the maximum amount a farmer can borrow and repay in one year, borrowing the same amount the following year, or is it merely a built in debt that we will allow the farmer to incur? With a maximum loan of $6,000 will the farmer be required to repay $3,000, or half the loan outstanding, and carry over the other half from year to year? If that is the case, then I would ask the minister in all seriousness how good his legislation is.

All farmers, Mr. Speaker, want to repay their loans, and I defy anyone in this house to stand up and say that statement is wrong. This increase from $3,000 to $6,000 may capture the vision of a number of people, but surely the minister is not creating any false hopes in the hearts of our farmers. Surely they will be given the opportunity to repay within the same year. Unless the minister is prepared to increase the bushels per specified acre quota referred in clause 3 (2) of the bill, I cannot see how any farmer can repay within the year the maximum amount lent of $6,000.

• (8:20 p.m.)

I believe that should the quota be increased from six to eight bushels it is conceivable that a farmer operating within the quota system as we know it could borrow $6,000 on 800 acres, deliver the maximum amount and repay very nearly all he had borrowed. This

is where we must come to grips with the bill before us. In present circumstances does it really give the farmer a better opportunity or is it holding out a false hope? In other words, are we saying: We shall lend you so much money, but the circumstances are such that you will scarcely be able to pay it back.

I do not think there are many farmers actively engaged in the industry who do not wish to be solvent, who do not wish to use borrowed money profitably and who do not wish to repay their loans. There may be a few, but 99 per cent of the farmers who borrow money wish to use that money profitably and to repay it when due. Does the minister envisage that under a 6-bushel quota a farmer who borrows the maximum amount, having an ample amount of grain to entitle him to do so, will be able to repay his loan on the basis of 65 cents per bushel of wheat—wheat which, this year, is worth $1.30 a bushel? Can he pay his loan back within the year? This is the most important question which faces us as we discuss this bill.

Mr. A. P. Gleave (Saskatoon-Biggar): It is with some satisfaction that I see this bill before us. I do not think "satisfaction" is the right word. What I am really trying to say is that this bill is badly needed. I hope we shall be able to get quotas large enough to enable farmers to repay the money they borrow under the provisions of this legislation within the current crop year.

I have no quarrel with the government's proposal to double the amount that can be borrowed. The situation is so desperate that I do not think I can quarrel with any provision which the government might make, whatever its form, to advance to farmers some interest-free money in order that they may be in a better position to meet their obligation in the current crop year. From my own observations, and those of people who live around me, I know the money will be badly needed. Look at the reports of farm management services. There is plenty of evidence there to show that you cannot operate a grain farm in western Canada on a six bushel quota.

Having placed this bill before the house—and I expect that in due time it will pass—I trust the government will not feel that nothing more remains to be done. There are serious weaknesses in our marketing structure, as a result of which we are not able to move or sell the quantities of grain we must sell if we are to benefit from the productivity of our farms. The selling program affects not only western Canada but other parts of Canada as well, and I hope this will be kept in mind. I saw a gloomy report the other day in the paper by, I believe, Mr. Runciman, president of the United Grain Growers, in which he painted a depressing picture of the marketing of grain in the coming year. I hope the prospects are not as bad as he forecasts. I see by some press reports that there is a possibility of making sales to China. I hope the wheels are turning and that arrangements are under way.

That is all I can say with regard to this particular measure. Let us get it passed. Let the farmers have the cash and then let us get on with the real job, which is marketing the product we grow so well.

Mr. S. J. Korchinski (Mackenzie): I spoke on this legislation when it was first introduced. At that time I welcomed the introduction of a bill of this nature. However, I expressed hope that the minister, in consultation with his officials, might be able to give us the answers to certain questions. And I had hoped, too, that he might volunteer these answers in order that the questions need not be repeated.

There is still doubt in my mind as to what will really happen under this legislation. Take the case of a farmer operating 500 acres. A six bushel per acre quota would normally mean delivery of 3,000 bushels. The farmer would then be entitled to $3,000 as a cash advance. However, under present conditions, with feed wheat selling at $1.01 the farmer in question would have to repay his loan at the rate of 50 cents a bushel. At the end of the year, even if he had delivered his six bushel quota, he would have repaid something like $1,500, plus $200 on the additional quantity. In other words, his debt would amount to $1,300.

What happens in the following year? In normal circumstances he will be entitled to $3,000 operating on the same scale. But he has yet to repay $1,300 of the previous year's loan. In these circumstances, to all intents and purposes, we are dealing with a "one shot" bill, if the farmer concerned has to repay his debt in the following year, that is, if the amount he still owes is to be subtracted from the cash advance. We would be right back where we started before this measure was passed, presuming it is the intention of the house to pass it. In itself, this would not disturb me much, perhaps.

Prairie Grain Advance Payments Act

• (8:30 p.m.)

The other thing I am concerned about is what happens in the case of a farmer who, the following year, has no crop or who gets hailed out. Again the Wheat Board would normally provide a quota of six bushels an acre and instruct the farmer, "Deliver your wheat because we have now provided you with a six bushel quota at that particular quota point. Where is your wheat?" Is the farmer going to be penalized and subjected to an interest rate and, if so, what will the interest rate be?

This raises another problem. If the farmer refuses to take the cash advance he might be able to catch up with the payments. As pointed out by the hon. member for Crowfoot (Mr. Horner) each farmer wants to be able to repay cash advances. In our operation on the farm we take cash advances but we try to clear up our indebtedness to the Wheat Board. This is the way we like to operate, and it is the way all farmers like to operate. Regardless of the fact that there is no interest rate on an advance, we want to be able to start off again with the idea that if we need a cash advance we do not have any encumbrance against the operation. Will the farmer be continually hounded by the Wheat Board until he pays? In a disaster year will he be penalized an additional amount by way of interest? My reasoning leads me to that conclusion.

What will happen if a farmer decides to quit farming? Are we going to accumulate a lot of debts? If that happens over a period of years there will be people who will say that cash advance legislation as originally intended was fine, but now a lot of debts have been incurred.

In the case of a farmer who dies, will his widow be burdened with an additional debt? Will she have to repay this debt immediately? I hope the minister will give us an indication what the attitude of the department will be. Perhaps he would care to deal with these questions before we go further.

Mr. John Burton (Regina East): Mr. Speaker, it is with some interest that I witness the introduction of this legislation tonight. It brought to my mind that not too many years ago members of the group who sit to your right were dubious about the proposition then put forward that cash advance legislation should be implemented. These people, who were doubting Thomases only 10 or 11 years ago, were horrified at the thought of the problems that would arise as a result of the introduction of that proposal. The fact that there were people who had the courage to advocate and introduce this type of legislation is something for which the prairie farmers can be very thankful, and it is a measure of tribute to those people who had the foresight to see what could be done through a measure such as this that now we have the government of the day, composed of the one-time doubting Thomases, embracing this proposal and taking it to their bosoms as their own.

[Mr. Korchinski.]

I support the legislation that is before the house tonight. It is much needed, in light of the situation presently facing prairie farmers. For some time members of our group have pressed for priority for this bill. On more than one occasion members of our group, and members of other groups in the opposition, asked that this bill receive priority among the group of farm bills that is being considered by the house. However we were always answered with the assertion that this bill would be considered only after the farm credit bills had been passed. I am happy that tonight the government has reversed its stand and agreed to our proposal that this bill be proceeded with prior to the passage of the farm credit legislation which, as is well known, has some rather controversial features.

In light of these facts which are recorded in *Hansard*, I found it puzzling the other day to note that the Minister of Agriculture (Mr. Olson) while in Regina made a statement to the *Leader-Post* which is not in accordance with my recollection of the facts and with the facts recorded in *Hansard*. I am sorry the minister is not in his seat tonight. I would have liked him to be present when I pointed out his statement in the *Leader-Post* of October 18, as follows:

> Federal Agricultural Minister Olson in Regina Thursday accused the opposition in parliament of delaying "major help" to Saskatchewan farmers who are having a tough time harvesting because of bad weather.
>
> Mr. Olson said in a Regina interview that legislation to double the cash advances on farm stored grain has been before parliament for many days but despite his appeals the opposition has not allowed it to pass.
>
> "It could have been passed ten days ago. This will mean major help to prairie farmers," he said.

So far as I am concerned this statement by the minister is not in accordance with the facts of the matter.

Some hon. Members: Hear, hear.

Mr. Burton: I admit, Mr. Speaker, that the amount of the advance is being increased and is being extended to include the unit quota.

At the same time repayment terms remain virtually the same, and in fact are being eased slightly with respect to the unit quota. This poses some serious problems with respect to repayments in years when the marketing situation is tight, such as was the case in the last crop year and is the case during the current crop year. I suggest the solution toward which the government should be working is to develop a plan for a guaranteed minimum delivery quota for grain, with provision for purchase of farm stored grain and payments for storage involved.

I also note that on numerous occasions government spokesmen have fallen back on this measure when questioned about steps contemplated to deal with the current emergency situation on the prairies. I would point out that while this measure does help to alleviate the effects of the tight marketing situation, it does not help alleviate the harvest and crop conditions now prevalent on the prairies. It does not apply to grain unthreshed in the fields. It does not compensate for costs of drying tough and damp grain, and the extra harvesting costs involved this fall. It does not help compensate for the deterioration of crops expected this fall.

I hope the government is considering other measures which will compensate farmers for some of the serious problems which have arisen this fall, which are beyond the control of the farmers, and of which the farmers should not be expected to bear the full brunt.

• (8:40 p.m.)

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I should like to say a few words about this bill. I wish to congratulate the Minister of Agriculture (Mr. Olson), or whoever is responsible, for presenting this bill today. This legislation has been needed for a long time. I am very happy that finally it has come up for our consideration, and I therefore give it my wholehearted approval.

So far as I am concerned, anything that provides more operating capital for the farmer is a good thing. However, this measure, along with the three farm credit bills, is only a temporary measure in respect of the situation confronting the agricultural industry. As a reaction to the crisis affecting the economy of the agricultural community, this is a step in the right direction, but by no means is it any sort of a long term solution.

I should not like to see the minister going around patting himself on the back and thinking that he really has done something great for the farmers at this time. I do not believe he will be in a position to do this until he has brought in a measure of some type to equalize the income of farmers with that of the people in the rest of our society. If we are not to be faced with a crisis situation I believe it is important that we have a long term policy.

I have three suggestions concerning things which I believe must be done. First of all, prices for farm machinery must be stabilized in some way. Second, I believe a way must be found to dispose of farm production. Third, and more particularly, an aggressive world-wide sales policy for wheat is required. I would like to see the Minister of Agriculture, hand in hand with the Minister of Industry, Trade and Commerce (Mr. Pepin) to pack a suitcase and knock on the doors of Mrs. Ghandi in India, Mr. Kosygin in Russia and Mr. Mao Tse-tung in China and say, "Hello. I just want to introduce myself. I am the agricultural minister from Canada. I am here to see whether I can be of any assistance to you. In particular I have a sackful of wheat here in my bag and I would like you to take a look at it. We have some good wheat to sell."

Somebody might like an approach of this type, and buy something from us. Just as it is the case in respect of anything else, if one does not go out aggressively to seek markets people are not likely to come forward to buy the product. I should like to conclude my statement at this point.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in speaking on this bill I must say that there can be no argument concerning the need of western farmers for legislation of this type, because their need for money cannot be disputed. I wholeheartedly support this legislation. I also wish to congratulate the government upon bringing this bill forward urgently. The bill which was discussed this afternoon is not nearly as urgent as is this bill.

I believe a word or two might be said concerning the condition in which this country finds itself because of the marketing problems. I might point out that marketing encompasses the total concept of a commodity in all its phases, such as planning, promotion and distribution. The role of the ultimate consumer must be emphasized in respect of the final disposition of the product. The problem facing western agriculture is one of marketing which this bill is designed to help and not one of production at the moment.

We might examine one of the grains, wheat the producers of which will benefit as a result of the passage of this bill. We have been growing a high quality, good baking, type of wheat for many years. Gradually through the years the high quality wheat has become less necessary to the consumers throughout the world, due to the improvement in milling techniques and the upgrading of local wheat grown throughout the world. We must evaluate our markets. We must evaluate the new synthetic sources of protein. The basic price of wheat on the world market will be governed by the international grains agreement. The operators of farm plants may have to pay less attention to the matter of the price received per bushel, and give more attention to a greater net return per acre. As land costs and fixed costs rise, input costs rise and as a result output per acre is the single method by which one can meet these demands.

Our production units must be tailored to fit our marketing system. This will involve factors such as quality, type, volume, demand and consumption. Although fixed regulated prices under the international grains agreement give little benefit to either producer or consumer on either side of the demand or supply situation, Canada should examine the pricing mechanism. We must remember a well known sales law, that it will cost more to recover a lost account than to maintain it at a somewhat lower level. There is no hope of having a profit if an account is lost.

On the whole, competition has provided a high standard of living. Throughout the world today we see a great upsurge in United States and Russian exports. Our competitors are entering our market system. As producers we may be somewhat insulated from the marketplace. We must increase our sensitivity and encourage the producers to supply the consumers. I believe we should take a look at the world feed grain situation. Although wheat throughout the rest of the world is considered to be a good food for livestock, in Canada we grow very little wheat for feeding purposes. In western Canada barley is produced at a high level, but in recent years there has been little research done in respect of high yield barley. Barley does give a high energy output. It has always taken second place to wheat in land use and marketing importance.

Throughout the world there is a great and growing demand for feed grains. I should like to read some statistics which have been produced by the Dominion Bureau of Statistics concerning the export of feed grain by the major exporting countries. In the year 1960 the world total was 23 million metric tons and in 1966 it was 42 million metric tons. The United States increased its share of the world market from 11.5 million metric tons to 21.7 million metric tons between 1960 and 1966. Canada has not done so well. In 1960 our share of the world market was one million metric tons and in 1966 it was 1.1 million metric tons.

There is a growing market for feed grains throughout the world and I believe we should be aware of this. It would appear that in western Canada barley is one of the crops which could best meet this demand. There should be an attempt by the producers of western barley to meet the competition brought about by the importation of corn for eastern feeders. All segments of marketing must increase their efficiency in order to meet the challenge. As a nation we are expending relatively little energy on our marketing problems. We need more grain salesmen to operate as Fuller brush men to knock on doors and energize our marketing forces in areas where we may have been deficient in salesmanship.

• (8:50 p.m.)

The hon. member for Saskatoon-Biggar (Mr. Gleave) mentioned that we have had large grain sales in Russia, but that we have had little salesmanship. Situations like this must be remedied, and marketing research has to be encouraged. We do very little in marketing but we expend considerable effort in production. We have only started with our marketing system.

Finally, and most important to the producers of our western grains, we must make them aware of what the markets will accept, and the government must make efforts to assist these people to grow grains for which they will find markets. While it is not clear, I hope that the newly formed grain council of Canada will take a step in this direction, because unless we improve this marketing situation the farmers will again be obtaining and cashing these cash advances every year.

Mr. George Muir (Lisgar): Mr. Speaker, I will take only a moment or two, as I have a very simple question to ask the minister. Let us assume in theory that a farmer has obtained all the cash advances he can obtain, and at the end of the crop year he finds he has sufficient grain, but because quotas are not high enough he is unable to deliver an amount of grain which would allow him to repay his loan. Will the minister indicate

whether under those circumstances it would not be appropriate to charge that farmer interest on the unpaid balance until he has had an opportunity to fill a quota which would allow him to repay the loan?

The Acting Speaker (Mr. Béchard): Order, please. I must advise the house that if the minister speaks at this stage he will close the debate.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, several hon. members have asked the same question posed by the last speaker, the hon. member for Lisgar (Mr. Muir), regarding the consequences of a repayment not equalling the advances during the course of a year. It may be that I delivered my table to the hon. member for Crowfoot (Mr. Horner) too late, or perhaps a little too early. I did not give him a great deal of time to look it over and I apologize to him for that.

Under the provisions of the bill, or the act as amended if the bill becomes law, a farmer receiving an advance at the rate of $1 per bushel of wheat, who may in fact not be able to repay the total amount if the quota does not open sufficiently for him to do so, will not have to pay interest on that unpaid balance. If the farmer took the maximum advance there would at the end of the crop year be an amount still owing by him on that advance, under the circumstances outlined by hon. members. It is certainly not our intention that there would be any interest payable on that amount at that time. The amount which he still owed when the crop year ended would of course be taken into account when the advances in the ensuing year were determined.

Mr. Horner: Would the minister permit a question at this point? He has referred specifically to his table and to my remarks. I take it from this table that by the words "4,000 bushels" the farmers will be limited in this sense to 4,000 bushels, because the quota failed to open any more than that. Let us be clear as we go along. I would assume that this situation occurred because the farmer had no more grain than that. I followed your tables and I am basically very strongly opposed to them. I want to be abundantly clear as to what this means.

Mr. Lang (Saskatoon-Humboldt): There are two examples in the table. I do not think I should refer to them because only the hon. member and I have the advantage of having them before us.

Mr. Horner: I have referred to them.

Mr. Lang (Saskatoon-Humboldt): The position is that the farmer can go into the next crop year with a balance still owing on his account. That balance will be taken into account at that point in calculating the next advance. The maximum which he may obtain by way of advances never changes—that is to say, in the next crop year.

If our hypothetical farmer had an 800 acre farm he would be eligible in the first year to $4,800. Let us say that in the course of that year he paid back $500 less than $4,800. He would then go into the next year owing $500. His maximum would still be $4,800. At that time he could obtain an additional $4,300. Of course no interest would be paid on the $500 between the time the year ended and the time the next year began, but his obligations would continue to be as they are now, that is to deliver wheat as the quota opens in repayment of his advances.

There were some comments by the hon. member for Mackenzie (Mr. Korchinski) about the difficulties facing a farmer who ends a year not having paid what he had borrowed. Let me point out that it is entirely up to the farmer to choose between the maximum and a smaller amount. If a farmer wishes to take an amount which will be repaid in a shorter period of time, he may do so.

This bill and these changes are particularly meritorious because they allow the flexibility which will permit a farmer, who wishes to take a larger advance, to do so. The farmer under this act can actually take an advance which involves more wheat than may be deliverable on the six bushel quota, which previously always cleared his indebtedness. Under the new plan a six bushel quota will not be adequate to clear this indebtedness. In that case the advance will actually be carried forward.

I am surprised to see how conservative in thinking some of the members opposite are when they say it is a bad thing. It seems to me this is a particularly strong part of the measure because it allows this specific credit advantage to the farmers in this way.

Mr. Korchinski: Perhaps I could ask a question at this point. In the event there is a carryover of an indebtedness because of a crop failure, a crop being hailed out or for any such reason and a farmer does not have credit to deliver his quota to the wheat board, will he then be charged interest on that amount in the following year.

Mr. Lang (Saskatoon-Humboldt): The straightforward and simple answer to that is that a farmer is not in default on the amount owing until the wheat board finds him in default. So, in fact, the situation remains really as it is now. The administration of the act falls largely within the discretion of the wheat board, and I think in this regard we can count a great deal on that discretion.

In the other example the hon. member has given, if a man quits farming or he dies his farm changes hands, the advance owing is a debt on the estate. This is money which he received, and it certainly is a debt.

Mr. Korchinski: Would the minister go back to the original question I asked? Will a farmer be penalized by way of interest in the following year if he does not have a crop at all? This is what I am getting at.

Mr. Lang (Saskatoon-Humboldt): I think I answered that. A farmer is not charged any interest unless he is in default, and he would not be in that position unless the Wheat Board in fact decided he was in default. I think that is the simple answer to the proposition.

• (9:00 p.m.)

Mr. Korchinski: Mr. Speaker, could I ask the minister—

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I think it might be simpler if I made a few remarks.

The Acting Speaker (Mr. Béchard): Order. We will proceed into committee in a few moments, and I think it would be useful to let the minister make a statement.

Mr. Lang (Saskatoon-Humboldt): I really want to say only a few things more at this stage, Mr. Speaker. We made it clear, and certainly I thought I had made it clear in my remarks when introducing this measure, that we did not see it as something of an entire answer to the existing problems. We certainly do not see it in that light. That it is, however, an extremely worth-while measure I think is beyond doubt.

When my colleague the Minister of Agriculture (Mr. Olson) made reference to the delay in the bill proceeding through the house he had in mind, as hon. members know, the manner in which long debate on other measures had proceeded on occasion when hon. members fully knew that this bill could go forward. If there are any additional questions, I think I can handle them appropriately at the committee stage, so I will conclude there, Mr. Speaker.

[Mr. Korchinski.]

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Mr. Burton: Mr. Speaker, before the minister resumes his seat—

The Acting Speaker (Mr. Béchard): Order. The minister has closed the debate and we will proceed immediately into committee, which is the place in which to ask questions.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Béchard in the chair.

On clause 1—

The Deputy Chairman: Shall clause 1 carry?

Mr. Horner: Mr. Chairman, before clause 1 carries—and I do not want to hold up this legislation one bit longer than is absolutely necessary—I should like to ask the minister a question. I will rephrase the question I asked the minister earlier. For my satisfaction, and for the satisfaction of the committee at large, could the minister explain the table that he handed to me as I came into the house this evening wherein he refers to the maximum amount deliverable as being 4,000 bushels in the first year. Is that because of the quota limitation, or because of the amount of grain the farmer has? It is a simple question, because I want to fully understand the table.

Mr. Lang (Saskatoon-Humboldt): Mr. Chairman, the very simple answer is that the examples, as can be seen, indicate that in both cases, for the farmer with an 800 acres farm the maximum theoretical advance is $4,800. In the first example the farmer has on hand 4,000 bushels of wheat, and therefore the maximum advance is $4,000. In the second example he has a great deal of wheat on hand, and naturally the maximum advance is $4,800.

Mr. Burton: Mr. Chairman, I should like to pose the question I was going to put to the minister before second reading was given to this bill. I know that the Wheat Board is giving some study and thought to the whole question of the revision of the quota system, and modifications thereof. I wondered whether the Wheat Board is giving any study or thought to the possibility of developing a plan for a guaranteed minimum delivery quota such as I referred to in my remarks in the debate on second reading.

Mr. Lang (Saskatoon-Humboldt): Mr. Chairman, I am sure the Wheat Board is giving consideration to very many things, but naturally the kind of thing to which the hon. member opposite is referring would more likely be a matter of government policy, and the government is certainly looking at the whole picture of the farmer situation as well.

Mr. Korchinski: Mr. Chairman, I want to come back to the question that I raised earlier. What is going to happen when there is a carryover of indebtedness into the following year and the farmer, through no fault of his own, is hailed out, or through drought or any other disaster that may befall him has no grain to deliver? Will the farmer be able to sign a declaration to the Wheat Board, and will it be authorized to accept the declaration that he has no wheat, and therefore the farmer will not be obliged to pay a penalty on the amount of the indebtedness the following year, even though the board does provide a quota for the following year?

Mr. Lang (Saskatoon-Humboldt): As I indicated earlier, Mr. Chairman, this is really a matter for the administration of the act and therefore lies in the discretion of the administering body. The indebtedness is there. There is a point at which the farmer could theoretically be in default, and it will really be a question of how the act is administered.

Mr. Korchinski: Mr. Chairman, the minister is a renowned lawyer and well versed in the law. Surely he should be able to give us an idea as to what the position of the farmer will be in this situation. I know it is very difficult for a lawyer to try to think in terms of a farmer, but I wish the minister would for once put himself in the position in which the farmer will find himself when he does not have any grain to deliver, would like to be able to repay the indebtedness but, because he was hailed out, snowed under or what-have-you, will not be able to deliver. I ask the minister this question: Will this farmer have to pay a penalty that year, when he has no grain and nothing on which to live?

Mr. Lang (Saskatoon-Humboldt): Mr. Chairman, I can only say what I said before. That is, in effect, that I depend upon the wheat board not to persecute a man in that position. That is really the simple answer. In other words it will be entirely up to the Wheat Board whether that man will be penalized or not.

Mr. Gleave: Mr. Chairman, there have been times in the past—and it was brought to my attention at times in the position which I occupied previously—when this sort of thing has happened under the cash advances program; that is, the Wheat Board has said in effect, "There is a quota open. You borrowed so much. It has not all been paid back. We want you to haul in wheat and pay us the rest." I know that in the circumstances which I described a very considerable amount of pressure was put on the farmer to do just that.

Unless the attitude changes substantially, I think the answer to the question of the hon. member for Mackenzie is that the farmer will be in some kind of difficulty. Let us not have any illusions in this regard. I am not saying whether it is good or bad, but I think this is the answer that should be given to the hon. member for Mackenzie.

Mr. Burton: Mr. Chairman, further to the question I asked previously, can I now ask the minister whether the government is giving any consideration to the development of a plan to provide for a guaranteed minimum delivery quota in each crop year.

Mr. Lang (Saskatoon-Humboldt): As I indicated previously to the hon. member opposite, he will have to wait for government policy in its own good time.

Mr. Douglas: Mr. Chairman, I would like to address a couple of questions to the minister. First of all I would like to go on record as being, naturally, in favour of Bill No. C-113. The doubling of cash advances will certainly help many farmers through this difficult period of restricted deliveries. My hope of course is that market conditions will improve so that there will be no problems about repayment, and there will be less need for cash advances in the years to come. This is the only real solution to the farmer's problem of a shortage of cash.

I am happy to note that in the first two and a half months of this crop year our exports of wheat and flour are running about 26 per cent higher than they were in a similar period last year. I urge all those in the business of selling our wheat to explore every possible market for our grain.

• (9:10 p.m.)

I have the following suggestions to make. I think provision should be made for cash advances on grain that is still on the fields. In Saskatchewan at least, and in the other prairie provinces also, much of the grain will not

be harvested until springtime unless a miracle takes place in November. I understand that in at least one previous year—

Mr. Horner: In 1959.

Mr. Douglas: —cash advances were made on grain which was still lying in swaths and stooks, and the experience with the repayment of these cash advances was very good. I can see no reason why this should not be extended again this year. I should like to point out that these cash advances are not regarded as loans to farmers. The hon. member for Crowfoot spoke of them as being loans or money borrowed. They are regarded as cash advances and therefore as income for income tax purposes in the year in which they are received.

Personally I think there is a great deal to be said for regarding them as loans which would not be taxable until the grain was actually delivered, which could be in the next income tax year instead of the year in which cash advances were made. I suggest that the appropriate government department should look into this matter to see whether this regulation could not be changed, so that cash advances would not be regarded as income. For example, if they are made in 1968, they would not be taxable that year but only when the grain is delivered, at which time the full value of the grain would be regarded as income.

Those are the two suggestions I should like to make to the government.

Mr. Korchinski: Mr. Chairman, I thought I was the only one pursuing this line of questioning, but now that I have had some assistance from the hon. member for Saskatoon-Biggar I do not mind asking the minister for some further information. On several occasions I myself have taken out cash advances when the delivery of grain in the winter months has not been too good, owing to road conditions. At that time I have received a very nice letter from the Wheat Board suggesting I should make the delivery within something like 14 days, or else I would be penalized. Will this practice be continued in cases where farmers find themselves unable to deliver grain? Will the government intercede on behalf of these farmers? Can the minister clearly indicate that there will be a regulation to the effect that farmers will not be required to pay interest on the loan on grain which is not delivered on the date specified?

Mr. Lang (Saskatoon-Humboldt): Mr. Chairman, certainly the government would be very happy to consider any changes in the regulations which may be necessary, upon the experience gained once the bill has been implemented. I do not think the experience of the hon. member opposite necessarily indicates any grave difficulty. He indicated he received a very nice letter from the Wheat Board and I presume he wrote a nice letter back to the board, so that more or less answered the question. I think that is probably the hope for the future.

Of course the hon. member for Assiniboia has stated a true fact when he indicated that these loans are not so much money that is borrowed as a prepayment for the wheat which remains on the farm.

Mr. McIntosh: Why then are farmers charged interest on their own money?

Mr. Lang (Saskatoon-Humboldt): Accordingly, no interest is charged on it. The hon. member for Assiniboia also made what I consider to be a very worth-while comment in drawing to our attention the problem of grain lying unharvested on farmers' fields. We are conscious of the previous example in this regard. Of course we are investigating this whole situation, but it is really premature now to even seriously consider that matter at this time.

Mr. Horner: Mr. Chairman, I think now is the time to pause on clause 1 and to serve notice of our grave doubts about the practicality of the minister's suggestion. I will attempt this evening to convince every backbencher in the house of the lack of mathematical feasibility of repaying these loans. I say to you, Mr. Chairman, and through you to all hon. members, that I wish all backbenchers, and particularly those on the government side, would give me their attention for just a moment to allow me to convince them to be guided by their own judgment and not by any supreme being, nor by any group of exalted rulers. I will attempt to put forward arguments to portray my point of view to the minister, who is in effect piloting this bill through the house.

I have been a member of this house for 11 years but never have I seen before such mathematical wizardry as that which the minister has engaged in, and this in the light of the budget presented the other night. I suggest there must be a special place in the cabinet for the Minister without Portfolio, the hon. member for Saskatoon-Humboldt, if he can supplant the Minister of Finance in

mathematical wizardry. Some hon. member suggests that I am getting political. Mr. Chairman, that is the farthest thought from my mind.

Some hon. Members: Oh, oh.

Mr. Horner: I attempted throughout the whole of last week to bring this bill before the house, and in fact I took great pains to point out to the minister that on October 4 he made a statement which is recorded at page 827 of *Hansard*. In this regard let me compliment the hon. member for Assiniboia on the comments he just made, with regard to the difficult time which the farmers have been experiencing with their harvests.

After a thorough examination, the minister said the following:

> I will undertake to deliver a sheet of complicated calculations to the hon. member for Crowfoot. I might say for the time being that the amount carried over is absorbed in the new year so that it is dealt with immediately—

I should like to emphasize the words "new year".

> —so that it is dealt with immediately at the beginning of the new year.

• (9:20 p.m.)

I will not go any further with the statement made by the minister on October 4, 1968. Today is October 28, 1968, at 9.21 p.m., and I have now seen this calculation by the minister. I was thunderstruck. I have been a member, as I have said, for 11 years and I have never seen such an attempt at mathematical calculation as this. I am going to read through this calculation very quickly. It is suggested that under the bill the maximum advance for a farmer with an 800 acre quota would be 4,800 bushels, or $4,800. He would only have on hand 4,000 bushels of No. 2 wheat. His rate of repayment would be based on a price of $1.30 per bushel for No. 2 wheat, basis Red Deer, Alberta. The amount taken to repay the cash advance would be 65 cents or about half of the $1.30. A lot of backbenchers should realize that the wheat is valued at $1.30 and the rate of repayment would be 65 cents per bushel. I should have said at the beginning that, under this bill, for every bushel a farmer has in storage he is given $1 by way of cash advance. The amount therefore taken to pay back the $4,000 cash advance would be 6,154 bushels.

The delivery unit would be 400 bushels and the quota would be 3,600 bushels. The amount owing after a complete crop year would be $1,400 or something over 2,000 bushels. This represents over half what the farmer had at the start. If this is the intention of the government, that the farmer should go into debt every year, if that is the extent of the confidence of the government in the agricultural industry, let the minister stand up and say so, and then I will understand him.

Let us proceed further to step 2 in the minister's table. The next year the farmer has a great crop. Let me be very generous in saying this. According to the minister's statement the farmer harvests 12,000 bushels of No. 2 wheat. His maximum allowance for advance under this bill is 4,800 bushels or $4,800. The repayment is based on the same assumed price. Here we have to take into our calculations the extra $1,400 of debt from the previous year which, in effect, would represent 7,385 bushels.

Then, here is where I wanted to ask the minister a question. The delivery unit would be 400 bushels. The minister's calculations, presented to this house in all sincerity, indicate that an eight bushel quota would allow the farmer to deliver 6,400 bushels. Now, is the minister saying that this year we might well have a six bushel quota but that next year there will be an eight bushel quota? Is the minister saying that this government, in all its wisdom, will combine an eight bushel quota with a plentiful crop? I doubt it. The minister says that even after that, even after a farmer had delivered on the eight bushel quota, if a nine bushel quota did not open, the farmer would still owe $380 in the next year.

I want the minister to go back and read the debate that took place between the hon. member for Mackenzie, the hon. member for Saskatoon-Biggar and myself on October 4. We explicitly pointed out our belief that if the minister advanced $1 a bushel and the farmer only had to repay half of what he received, the farmer would invariably go into debt every year. Rural members and backbenchers on both sides of the house might well ask, what is he getting at? I want to make it abundantly clear that under the act as it is now the farmer has a right to obtain a cash advance of $3,000 interest free on grain in storage.

In 1959, an amendment was made to cover grain in the field, not necessarily harvested. During the election campaign members of the government said they were going to double that; they were going to make it $6,000. However, they do not give the farmer the right to pay this money back in the same

year. In effect they are giving the farmer the right to go into debt more deeply every year to the extent of one quarter, or perhaps even a half of the cash advance in a period of four years. If a farmer is faced with ever increasing costs and remains on a six bushel quota, then within four years he will consume $6,000 in the form of cash advances. Then he will have no avenue to which to turn.

I say to the minister in all sincerity that he should examine his table closely. The late president of the United States, when he was dealing with Khrushchev at the time of the Cuba crisis said, "I don't want to put his back to the wall; I want to give him an avenue through which he can escape." I am sure, Mr. Chairman, that the government wants to give the farmer an avenue through which he can escape. Surely the government does not want to put the farmers in a corner, then have them throw up their hands and march on Ottawa because they are in debt up to their ears to the federal government.

I am sure the minister does not want to place the farmers in that position. I am sure no backbencher in this house wants to place the farmer with his back to the wall. The table the minister presented suggests that next year the farmers will be on an eight bushel quota. What makes him confident of that? The year after, he says the farmers will be on a nine bushel quota, and all will be well. They will reap this glorious promise that he and his Prime Minister made in June of this year. Surely, he does not expect us to buy that, when the present Minister of Industry, Trade and Commerce is in South America trying to sell wheat. Those countries have never been our biggest customers. I urge every member in the house tonight to seriously consider the position. Nobody entices a person to borrow money he cannot possibly repay. Perhaps an enemy does, but certainly not your friend. This is what the bill will do, unless the minister accepts one simple amendment and then sees that the provisions in the bill are carried out.

I have studied this bill from all angles ever since the minister made his statement on October 4. I want to make it abundantly clear that we have not been holding up this measure since October 4. We have been accused of holding up other measures, but we have not even seen this one since October 4. As I say, I have studied the matter and there is only one simple solution to this whole position in which the farmer will be placed. The solution is to allow the farmer to borrow $1 per bushel for every bushel in storage, but to repay it at only 65 cents a bushel.

• (9:30 p.m.)

Any backbencher who is skilled in business realizes what the bill is going to do to the farmers. It will entice them in their dire periods of need to borrow the maximum and to repay the minimum allowable under the bill. I say to every businessman in this house, to every member with any knowledge of the manipulation of the dollar bill and sound credit, that this bill is based on a faulty premise.

I know the minister fairly well, perhaps better than he knows me. I have a brother who graduated from law school with the minister and I have a great deal of regard for the minister because of the high respect in which my brother holds him. For this reason, Mr. Chairman, I would urge him to seriously consider the position in which this bill will place our farmers today.

I have a simple solution, Mr. Chairman, which may get the farmers out of this position. I am not going to move an amendment now, but I do want the minister thoroughly to consider this point between now and the time we reach clause 3. I put this forward for the consideration of all rural members of the house, no matter to which party they belong. I am going to suggest that in line 6 of clause 3 as it appears at page 3 of the bill the word "six" bushels per specified acre be changed to read "eight" bushels per specified acre.

In light of the table of the minister it might be said that this is a simple amendment; how can it solve all the evil that the hon. member has attempted to portray? I say to hon. members of this committee, through you, Mr. Chairman, that it can help alleviate the problem, provided the government sells eight bushels per specified acre. If this change were made, then a farmer with 800 acres could borrow $4,800 and would be able to deliver 6,400 bushels of wheat. I am not saying that this is a perfect amendment because it is not, but it does at least give the farmers some opportunity to meet their operational costs.

The minister's table indicates that in the second year the government, through their good graces and offices, hope to give the farmers an eight bushel quota. I say to the minister that if he and his cabinet colleagues have the courage to make this eight bushel quota good to the farmers in the first year, then if they want to say to the farmers that in the third year they will have a nine bushel

quota, all well and good, Mr. Chairman, it will not be turned down. But the provision in the bill to increase the maximum loan from $3,000 to $6,000 is not soundly based unless the farmer is given ample opportunity to repay the amount borrowed.

I can see no way to repay the loan, Mr. Chairman, other than by decreasing the amount allowable from $1 per bushel to 75 cents a bushel, or increasing the allowable acreage. In the amendment that I am going to propose I prefer the farmers to receive the advantage of $1 per bushel, but to give them every opportunity to repay the loan on an eight bushel per acre quota.

I urge the minister seriously to consider this proposal because I think the position in which he is now placing the farmers will be a dangerous one in the years ahead.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I think the hon. member for Crowfoot has raised an interesting point, particularly in connection with the suggested eight bushel quota amendment, about which I should like to comment at this time.

Speaking on October 4, as reported at page 819 of *Hansard,* I am reported as follows:

> I would like to make a suggestion about a change in the act. I understand that in the old act there is a limit on borrowing. You can borrow only up to a six bushel quota. I wonder whether this might not be raised to an eight bushel quota. I believe this would be more realistic, in view of the costs involved in prairie agriculture today.
>
> The government may very well say we will have trouble getting rid of six bushels, and this may be true. But if government money is invested in wheat it would take a load off the shoulders of the farmer and improve farm economy. It would assist the farmer and those depending on him, and it would tie up some government money in wheat, which would give the government a more direct interest in selling wheat.

I should like to hear the minister tell the committee what solution he has for solving the problem. For example, to be facetious about it, is he praying for drought in Russia or China? Is he indicating that at some time there might be an increase in the price of wheat, that the farmers will receive more money and be able to repay it at a quicker rate? I should like to hear the minister tell the committee how this problem can be resolved. If he has trouble, I am sure the hon. member for Assiniboia might have some comment to make in this respect.

Mr. McIntosh: Mr. Chairman, a few moments ago I believe I heard the minister say that this money should not be considered a loan. I think he was endorsing a suggestion made by the hon. member for Assiniboia. One of his reasons for not describing it as a loan was because no interest was involved. Did I hear the minister correctly and did he say no interest was involved?

Mr. Lang (Saskatoon-Humboldt): That is right.

Mr. McIntosh: Then would the minister look at section 5 (1) (b) of the act, which reads as follows:

> (b) upon default, he will repay to the board the amount in default, without interest prior to default but with interest at six per cent per annum after default.

If no interest is involved, Mr. Chairman, then what does that provision mean?

Mr. Lang (Saskatoon-Humboldt): Mr. Chairman, naturally the question with which I was dealing was that of interest in general, not interest payable after default which is a totally different issue. That was what my earlier response had reference to.

I am most astonished this evening to hear hon. members opposite actually complaining because the cash advance bill is going to allow the farmers to borrow too much money and to repay it at too slow a rate. I would have imagined almost any other attack from the opposition, Mr. Chairman. I think it must be a good bill when they are put in the position of attacking it in this fashion.

I must also say, Mr. Chairman, that while the hon. member for Crowfoot was speaking I thought several times I would have to rise on a point of privilege. I let the opportunity go and it did come out all right from that point of view. However, the next time he asks me to send him a table, if I have the time I shall write him a book. His trouble is that he has not been quite ready to believe that in fact the result of the bill is exactly that which it sets out to do, namely that the farmer can indeed borrow an amount that is much greater than he has been able to borrow before. The farmer will actually be in the position where, when deliveries are slow in a particular year, he will not be called upon to repay the total advanced to him in that year, and in that sense will carry over the amount advanced as a matter of calculation to the next year. That is perfectly true and I think perfectly laudable. Certainly it is our objective to move much more wheat; that has been clear in our statements all along.

Prairie Grain Advance Payments Act

• (9:40 p.m.)

Recent history does not indicate that one should be unduly pessimistic, as hon. members opposite seem to be, because of an immediate problem such as the one this year. As to the examples referred to by the hon. member for Crowfoot, may I say that the contents of the table were meant to illustrate a variety of situations and were not intended to be identified as one year, or another year, or years in succession of each other. It is certainly true that under this bill a farmer may obtain these increased amounts if he wishes to do so. I emphasize this point to those who are concerned lest a farmer may borrow more than he can repay. The amount is up to the borrower. If he chooses to borrow this money without interest, he can do so, provided he has sufficient grain on hand. When he repays the loan, he does so at 50 per cent of the initial payment. In many a year he will not repay the total advance unless he has delivered approximately a nine bushel quota, if he has taken the full advance. Then again, if a farmer chooses at any time to repay the advance he is entitled to do so; the act enables him to do so, specifically, under section 5 (2).

The concern expressed by hon. members opposite is difficult to understand when it is concern about a farmer being lent too much money and being made to pay it too slowly—and when there is no interest for it at all.

Mr. Horner: The minister's remarks are certainly apropos. But he will recall that at the beginning of my comments I specifically asked him what he meant by the 4,000 bushel maximum in the table he sent over to me. I asked whether it was the number of bushels on hand, or the number of bushels which the farmer chose, or the number of bushels his quota allowed him to deliver. The minister said it was the number of bushels on hand. Therein lies the difference between us.

At no time in recent history, the minister says, have there been two low quota years running year after year. That is what the minister suggested. I am not in any way afraid that farmers will be unable to repay their loans, but I do not want a farmer to feel that he is way over his head and has no means of repaying them.

Under the present arrangements a farmer can borrow $3,000 and can repay that amount. I ask the minister: Is this much better? We are giving him a huge maximum and very little opportunity to repay. Eventually, over a period of years, he builds up a debt, and in time he will only qualify for a loan of $3,000, the amount he can get today. If the minister wishes to contradict this statement I shall be glad to hear him do so. But on the basis of the bill today, on the basis of a six bushel quota, a farmer builds up a debt of $3,000 at least, and carries it with him unless at some time or another the government increases the delivery quota, and at the same time he is blessed with a bountiful crop. But I say, Mr. Chairman, that very often the reverse is true. Moreover the quota expands when farmers do not experience such a bountiful year. It is easy for a quota to build up to ten bushels if there is a poor crop in the west, but it is difficult for a quota to build up beyond six bushels when there is a heavy crop.

I am not saying the bill is altogether wrong. I am not saying I intend to vote against it; I do not. But I am trying to point out the dangers. This bill will place the farmer at no real advantage year after year. The minister can deny this if he wishes to do so. I hope he will. I hope he will say that the bill will place the farmer at a definite advantage year after year, because he will undertake to sell an eight bushel quota. But even on the basis of an eight bushel quota, a farmer taking the maximum will still, in the following year, have to sell a nine or ten bushel quota in order to repay. The minister can sit there in the greatest sublimity but I say to you, Mr. Chairman, that this bill is not sound mathematically. This is the opinion I had before the minister gave me his tables. It is the opinion I held on October 4, and I have not changed it.

Clause agreed to.

Clause 2 agreed to.

On claue 3—*Undertaking by the producer.*

Mr. Horner: I want to say nothing more—

An hon. Member: Holding up the bill.

Mr. Horner: Somebody over there immediately says I am holding up the bill. They think it is my duty to give everything swift approval. Well, the last time this bill came up in the house was on October 4. Today is October 28. Who held it up in the meantime?

An hon. Member: You did.

Mr. Horner: Someone says we did. It is the duty of the government to bring measures before the house. I did my best to encourage the government to bring it before the house, but they did not do so.

I have said whatever I could, and dare the minister to defend his table on an actuarially sound basis, because it will not stand up. If a farmer is in need of money he will borrow more under this bill than he is capable of repaying according to the quota system. I defy any mathematician to prove this statement wrong. So, without any further remarks, I move:

That on page 3 in line 6 the word "six" be deleted, and the word "eight" inserted in its place so that the line will read "of eight bushels per specified acre".

• (9:50 p.m.)

The Deputy Chairman: Is the committee ready for the question?

Mr. Lang (Saskatoon-Humboldt): On a point of order, Mr. Chairman, the change envisaged in this amendment would have the effect of imposing an additional burden on the treasury and therefore is not in order.

Mr. Horner: On the point of order raised by the minister, Mr. Chairman, I went to great lengths to point out that it was the ability of the farmer to repay with which I was concerned. The amendment would allow a loan to be repaid that much quicker. It places no additional burden on the treasury. As the hon. member for Assiniboia said, it is not in fact a loan, it is a cash advance on the farmer's own wheat, on his own money.

Mr. Macdonald (Rosedale): On another point of order, I wonder if perhaps we might have the committee rise, to report to the house with a view to arriving at agreement to extend the sitting for another hour this evening, so that we might complete the bill?

Mr. Horner: Let us have a ruling on the amendment first.

The Deputy Chairman: Is it agreed that I rise and report progress?

Mr. Baldwin: I suggest that we have a ruling and vote on the amendment, and after the vote we might be amazed at what progress we would make.

The Deputy Chairman: Order. Amendments in committee are governed by the terms of the resolution which precedes the bill. The pertinent phrase in the resolution reads as follows:

—to permit the calculation of advance payments on grain deliverable under unit quotas, and for other related purposes.

There is no specific price listed here, and so therefore there is no amount involved. For that reason I have to accept the amendment.

Amendment (Mr. Horner) negatived: Yeas, 41; nays, 70.

Clause agreed to.

Clauses 4 and 5 agreed to.

On clause 6—*Transitional.*

Mr. Korchinski: Very briefly, Mr. Chairman, I want to suggest a way whereby the government can save some money by not paying administration costs as stipulated under the present situation. The amendment I shall propose will make it possible for farmers to take two cash advances. The minister has overlooked the fact that administration costs were $150,000 last year. There was a transfer of undistributed amounts of $6,000, and the cost to the treasury was $90,000. Some 45,000 cash advances were taken last year and at $2 a piece $90,000 could be recovered if a second advance were necessary. I therefore propose the following amendment:

That section 6 of the said act be amended by the addition of the following subsection:

6 (a) In any year where the producer has not taken the maximum permissible, he may, upon repayment of the original advance payment, reapply for a further advance payment up to the maximum amount allowable under the provisions of this act.

Amendment (Mr. Korchinski) negatived: Yeas, 41; nays, 72.

• (10:00 p.m.)

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time? Now, or at the next sitting of the house?

Some hon. Members: By leave now.

Some hon. Members: No.

Mr. Baldwin: I call it ten o'clock, Mr. Speaker.

Mr. Speaker: Next sitting of the house.

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, would the house leader give us some indication concerning the intentions, honourable or otherwise, for tomorrow.

Mr. Macdonald (Rosedale): I would have hoped that the official opposition would have

permitted third reading of the bill with which we have just dealt tonight. I can only hope that hon. members will not unduly prolong the debate tomorrow on the bill in respect of which they profess to be so interested.

An hon. member says that if I make more remarks like that they will prolong the debate. That is interesting. Notwithstanding threats by hon. members I think we will call third reading of the prairie grain advance payments bill and then proceed to the committee stage, and one would hope third reading, of the farm credit bill. Then we would deal with the resolution concerning the C.N.R. financing.

Mr. Horner: Mr. Speaker, I rise on a point of order. The house leader seems a bit downhearted because we have only dealt with second reading, and six clauses of the bill in the committee stage. We moved two amendments and not one was accepted in any shape or form. With the amendments we suggested and the progress made I thought we had done very well this evening from eight o'clock.

Mr. Speaker: Order, please. It seems to me that we should not become involved in a debate at a time when the opposition house leader has asked for the business for the next day and when this business has been announced by the government. It would be easy for this to be done without argumentation or debate.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

INDIAN AFFAIRS—REQUEST FOR RECONSIDERATION OF DEPARTMENTAL REORGANIZATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when the news leaked out almost a month ago that the Department of Indian Affairs and Northern Development was proceeding with a reorganization there was virtually unanimous condemnation from one end of the country to the other. This decision was made without consultation with representatives of the Indian community. Despite the assurance of the minister that these changes are purely administrative and will have no effect on services provided for the Indians in Canada, this condemnation instead of subsiding has accelerated.

[Mr. Macdonald (Rosedale).]

During last week end a conference was held at Glendon college in Toronto at which were present representatives of Indian communities, as well as the department. I have been informed, as I am sure the minister has by his officials, that the deputy minister of his department was heckled and jeered at that conference. This is not surprising. Ever since the end of world war II we have been spending more and more money, ostensibly for Indian needs; yet the more we spend and the more we do the more complaints we hear from Indian communities. I think the reason is perfectly clear. In the past 100 years we have developed a completely authoritarian approach to Indian affairs. We, the great white fathers, tell the Indians what is good for them, and whether they like it or not they must accept it.

In recent years the ministers, and we have had a new one almost every year, have told the Indians that things are to be different. They have been told that the government intends to listen to them and get their advice as to what they want. Each minister has been put in the position where more and more decisions are being made, not by the Indians but by departmental officials. These decisions are not even being made by the minister.

This administrative change again means a further centralization, rather than a decentralization of this administration. This is now the case, rather than discussions with the provinces and a placing of responsibilities on the Indians for decisions, in consultation and co-operation with the provinces, as suggested by the Indian and Eskimo Association. This was also suggested by the hon. member for Scarborough East (Mr. O'Connell) in a letter to the former prime minister, and I must say in language much stronger than I am using tonight.

We are getting more centralization, and more decisions will have to be made here in Ottawa rather than by the Indians and representatives of the department in the field. This whole structure is being reorganized without consultation. No one knows how we can develop an economic program for the Indians without developing a social program. We now have a biologist in charge of human development. I am sure he is a very worthy gentleman, but he is a man without the required knowledge, training, and experience to work with people. He is now in charge of human development.

• (10:10 p.m.)

Yet we are told by this minister—we get a different story, of course, when we listen to

the Minister without Portfolio—that this is purely a bookkeeping device and one which ought not to concern the Indians. Well, it does concern the Indians. They are protesting and I think they are justified in protesting. I think they must continue to protest, as we must, until this minister does what other ministers have promised to do, and that is to start listening to the Indians instead of continuing to listen to and to obey what the bureaucrats in Ottawa tell the minister he ought to do.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I should simply like to suggest to the hon. member that he should begin by reading the newspapers.

In the whole history of Canada, ever since the federal government has taken an interest in the problems of the Indians, consultations with the Indians have never taken place. Now, since July 15, 1968, the Department of Indian Affairs and Northern Development branch has embarked upon a series of consultations with the Indians in all the provinces. We have held ten consultations with the Indians so far, and we will have finished the first round of 19 consultations at the end of December. Never in the past were the Indians consulted and I hear the hon. member say that we do not consult them.

However, as far as the reorganization of the branch is concerned, it was logical, following a decision taken by the House of Commons in 1966, to create a Department of Indian Affairs. Formerly, there was an Indian Affairs Branch, in 1966, it was decided to set up a Department of Indian Affairs and the decision taken a month ago by the cabinet and the Minister of Indian Affairs and Northern Development was aimed at giving the status of a department to the Indian Affairs Branch. We wanted in that way to give even more importance to Indian affairs. However, since it was a purely administrative decision, we explained it here, and none of the criticism expressed until now dealt with the fundamental value of the reorganization.

All we heard about was the lack of consultation. There was no lack of consultation, because the reorganization concerned only the personnel in Ottawa.

We did not deal with the Indians, either with the reserves or the bands, any differently. We kept exactly the same structures. With regard to consulting the Indians and giving them new responsibilities, I can assure the honourable members that, as a result of the consultations we have had with them until now, it is obvious that under the terms of the new Indian Act, we will give them more authority, on both the reserve and band levels, in order to enable them to control their own destiny and to participate in their economic and social development.

No government, Mr. Speaker, has cared as much about the social and economic emancipation of the Indians, and we intend to continue in that direction.

NORTHERN AFFAIRS—INQUIRY AS TO DISPOSITION OF "GRANDE HERMINE"

Mr. Gérard Duquet (Quebec East): Mr. Speaker, when I put a question, on October 24 last, to the Minister of Indian Affairs and Northern Development (Mr. Chrétien), with regard to the repatriation of the replica of the *Grande Hermine* to Quebec, please believe me it was not without reason.

This ship was built two years ago. It was one of the main attractions of La Ronde at Expo '67. Then, it was supposed to be taken to the historic Cartier-Brébeuf park which is to be built in Quebec City.

Of course, due to uncontrollable circumstances, we were unable to repatriate it when Expo '67 closed down. This ship stayed all winter long at La Ronde in 1967, and it stayed at Man and His World in 1968, because the Cartier-Brébeuf park was not yet ready.

The history of the *Grande Hermine* speaks eloquently for itself, so that I need not elaborate on the matter. I do not intend either to hold the present minister—and much less his predecessor—responsible for such delays. However, I should like to mention certain reasons, because I feel that if circumstances did not lend themselves to transporting the ship to Quebec, someone was responsible for the situation.

I feel that the city of Quebec is not excusable, under the circumstances, for not having done the utmost to hand over to the federal government, as agreed the land expropriated for the Cartier-Brébeuf park.

I therefore feel justified, Mr. Speaker, on behalf of my electors, on behalf of the whole population of the city of Quebec—who, first of all, hope to see Cartier-Brébeuf park become a reality and, secondly to see the replica of the historical ship called *Grande Hermine* installed in the estuary of the St. Charles and Lairet rivers, historical site where Jacques Cartier wintered in 1534 and

1535—in asking the honourable minister to let us know what his department intends to do with regard to the *Grande Hermine* for the coming months, and what it intends to do so that the ship can be repatriated to the city of Quebec and, especially, to the Cartier-Brébeuf park.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, in answer to the member for Quebec East, I merely wish to tell him that the stay in Montreal of the *Grande Hermine* which was an attraction at Expo '67 and at Man and His World in 1968, has come to an end, and that we now want to move it to Cartier-Brébeuf park in Quebec City.

However, circumstances known to the hon. member, that is the fact that we still do not have at our disposal the necessary land in the Cartier-Brébeuf park to build permanent facilities for the *Grande Hermine,* force us to berth it temporarily at Lauzon, so that it will not be too far from the park when it is ready.

We are still waiting for the city of Quebec to let us have the land. I know that the municipal authorities intend to expropriate it and as soon as the land is handed over to us, we will immediately undertake the final development of the Cartier-Brébeuf park, in order to set up permantly the replica of the *Grande Hermine* on the historic location where Jacques Cartier had his winter quarters, as the hon. member said so well, in 1534 and in 1535.

[*English*]

ATOMIC ENERGY—REQUEST FOR TABLING OF AGREEMENT BETWEEN FRENCH AND CANADIAN AGENCIES

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, on October 15 of this year the Minister of Energy, Mines and Resources announced that an agreement had been entered into between Atomic Energy of Canada and the C.E.A. of France providing for co-operation and exchange of information on research and development of heavy water moderated nuclear reactors. Although he made a long statement on the development of nuclear power reactors, the minister said practically nothing about the agreement itself. On subsequent occasions when he was asked for details of the agreement, the minister said it was secret and would not be published.

Only three things were mentioned in the public statement: First, that there was an exchange of information of commercial value; second, that it does not include the full design details of specific power stations such as at Douglas point; and third, that the French are very interested in Canadian nuclear power systems. We do not know and we were not told what real or imagined benefit will come to Canada from this agreement; whether there is any real expectation of selling nuclear power plants or just a pious hope; how much Canada is receiving for the sale of 20 years of research. In this context I should point out that in this year alone the research program of A.E.C.L. will cost Canada $68 million. We do not know if we are selling all our research or only part. We do not know what safeguards are written into this agreement and the previous one for the sale of plutonium. It should provide for the peaceful use only of material and information. This was stressed strongly in the previous agreements between Canada and India and between Canada and the United Kingdom. The fact that they do not have bomb development programs made those situations different from that of France which, in fact, has.

• (10:20 p.m.)

In the previous agreements it was stressed that the international atomic energy agency should supervise any part of an agreement concerning the sale of plutonium or the sale of information. We are not told whether in this particular case the international atomic energy agency has any part to play.

May I now turn to the reason for secrecy, if there is one. First, it is very clear that there is no military security involved. We do not have any bomb technology to sell. Second, there is no technology in the agreement itself. In other words, this agreement is concerned with information, but the information itself is not in the agreement. How, therefore, can any technology be made public or any secret or any confidential information passed when that cannot possibly be in the agreement? There can surely be no secrecy or confidentiality on that ground.

Finally, the design details of certain nuclear power plants are excluded, but we do not know what is included in this agreement. Since there is no military secrecy, and no technical secrecy, the only thing left is the financial consideration. We do have some vague idea, Mr. Speaker, what the financial consideration amounts to. At a press conference outside the house it was revealed that the United Kingdom paid $700,000 for the information it received and that France was paying slightly more. Now, what slightly

more amounts to, I have no idea. I suppose it could be a million dollars.

How much have we spent in the last 20 years on research? It was estimated nearly a billion dollars. The only conclusion to which I can come is that the government does not want us to know what it has done. I have an overwhelming feeling that we have given away one of our most expensive and prized possessions, our nuclear technology, and received nothing in return. In ordinary parlance, one would call it being sold down the river.

I conclude by acknowledging that the sale of nuclear power plants has become a very competitive business. We have to protect ourselves. We cannot give away our business secrets nor our technology; that goes without saying. I wonder if this is not exactly what we have done in this case? In trying to protect the confidentiality of this information from other people, we have refused it to the Canadian people as well. We do not know whether this agreement is a valid one. There is no reason on earth why it should be secret. We have asked on several occasions that the government either publish the agreement or the essential parts of it, or at the very least make a statement indicating what is contained in the agreement. This statement could be made in such a manner that if there are secrets or confidential material in the agreement, that part would not be revealed. I think in a matter of this magnitude the Canadian people have some right to know whether or not the government has made a fair deal on their behalf.

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce (Mr. Pepin) as well as the Minister of Energy, Mines and Resources (Mr. Greene) I shall attempt to answer this question tonight. The hon. member asked the question of the Prime Minister and repeated it here tonight. He wants the non-secret parts of the agreement made public. I think it is unfortunate when we are dealing with atomic energy, with all the fury that it is capable of bringing upon people when it is not used for peaceful purposes, to leave a sinister connotation such as is left by the hon. gentleman's question. I am certain he had no intention of doing that. I think there is no clear assertion that the conditions of the agreement will never be made public. They could not be made public at this time because to do so we would have to secure the consent of France.

The fact of the matter is this, that Canada has been very cautious indeed in the sale of atomic fuels, as my hon. friend has already pointed out, and commendably has required stringent guarantees in respect of the peaceful use of such fuels. We are not dealing here with the sale of a fuel; we are dealing with the exchange of information between two nations. I think we are fortunate in that we are blessed with one of the greatest potential sources in any nation in the world of that particular type of fuel. France is in a position where it is among the first ten nations today in energy consumption, based upon income of people, and therefore constitutes a very promising market for our fuel.

At the present time, Mr. Speaker, they are using a method that is different from ours. It is thought in Canada, where we want to obtain the largest possible sale of fuel in the future, that an exchange of information will probably popularize the type of fuel that we have for sale and the method that we have adopted. This is an information exchange between Canadian scientists who will go to France and French scientists who will come to Canada. As a matter of fact, I am informed that two or three persons have already been exchanged.

I think that in this fuel lies a fantastic future. It is being suggested that by 1980 over 30 per cent of the energy on this continent may be atomic energy. There is a very wide opinion among scientists today to the effect that we have just begun to touch the fringes of atomic energy, that it has much greater scientific potential than other forms of energy.

Therefore, Mr. Speaker, in respect to this nation a good market is indicated for the future for the sale of fuel, and the type and method we are using, which is water cooled instead of gas.

Mr. Speaker: Order, please.

Mr. Laing (Vancouver South): However, the chief reason, Mr. Speaker, is that no consent has been obtained at this time from France to make public the agreement. If the matter were pressed, then possibly the minister would endeavour to obtain such agreement.

Mr. Speaker: Order, please.

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

HOUSE OF COMMONS

Tuesday, October 29, 1968

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

FISHERIES AND FORESTRY

First report of standing committee on fisheries and forestry—Mr. Crossman.

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS—CONCURRENCE IN FIRST REPORT

Mr. John M. Reid (Kenora-Rainy River) presented the first report of the standing committee on broadcasting, films and assistance to the arts, and moved that the report be concurred in.

Motion agreed to.

[*Note: Text of foregoing reports appears in today's Votes and Proceedings.*]

PUBLIC ACCOUNTS

REFERENCE TO COMMITTEE OF PUBLIC ACCOUNTS AND REPORT OF AUDITOR GENERAL

Hon. Donald S. Macdonald (Rosedale): Mr. Speaker, the chairman of the standing committee on public accounts has inquired regarding the reference to that committee of the volumes of the public accounts. With the leave of the house I should like to move the following motion in order that this request may be carried out. I move, seconded by Mr. Sharp:

That the public accounts, volumes I, II and III for the fiscal year ended March 31, 1966, laid before the house on January 9, 1967, and the report of the Auditor General thereon, and the public accounts, volumes I, II and III, for the fiscal year ended March 31, 1967, laid before the house on January 22, 1968 and the report of the Auditor General thereon, be referred to the standing committee on public accounts.

Motion agreed to.

EXTERNAL AFFAIRS

TABLING OF AGREEMENTS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I ask leave of the house to table, in French and in English, a number of agreements which recently have been signed by Canada subject to ratification, or which have been entered into force for Canada.

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

Some hon. Members: Agreed.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING UNIVERSAL APPLICATION OF BILL OF RIGHTS

Mr. Hubert Badanai (Fort William) moved for leave to introduce Bill No. C-122, to amend the British North America Act, 1867, (Canadian Bill of Rights).

Mr. Speaker: Is it the pleasure of the house that the hon. member shall have leave to introduce this bill?

Some hon. Members: Explain.

• (2:40 p.m.)

Mr. Badanai: Mr. Speaker, the purpose of this bill is to amend the British North America Act of 1867 by adding thereto as part of the federal constitution with regard to the power of parliament a Canadian Bill of Rights, in substitution for the act of parliament, chapter 44 passed in the year 1960. This latter statute has been, to a certain point, ineffective from the fact that it is not part of the Canadian constitution, and its application has been rather limited because most of the time the decisions of the courts have been to the effect that its provisions apply only to legislation adopted by parliament since its coming into force.

In other words, what this bill seeks to achieve is a practical universal application of the bill of rights.

Motion agreed to and bill read the first time.

PUBLIC SERVICE

SUGGESTED YEAR OF SERVICE BY YOUTH FOR PEACEFUL PURPOSES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask

the right hon. Prime Minister whether his government has given consideration to requiring a year of civil service similar to the military service in other countries, but devoted to peaceful ends?

Right Hon. P.-E. Trudeau (Prime Minister): Our government has not given consideration to that, Mr. Speaker, but it is an idea I have discussed in conversations with some ministers as a very imaginative one, and something that might be done in the future in this country.

Mr. Stanfield: Has the government given consideration in connection with this idea to the phasing out of the Company of Young Canadians?

Mr. Trudeau: No, Mr. Speaker, there is nothing near the planning stage in regard to this idea of a year of civil service by the youth of this land. This is just an idea that was discussed in conversations.

Mr. Stanfield: But it is an idea that is being discussed, Mr. Speaker, within government circles?

Mr. Trudeau: I said it was a matter that had been discussed in conversations between myself and a few ministers. We discuss a number of ideas of all kinds and natures. This was not meant as government business, but rather as a conversation. I do not claim any privilege on the conversations between privy council members, because it is not the kind of idea that would be taken for discussion.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask the Prime Minister a supplementary question.

Can he state flatly that the Secretary of State (Mr. Pelletier) was not talking on behalf of the government last night when he spoke of peaceful conscription for the young people of Canada?

Mr. Trudeau: Of course, he was not speaking on behalf of the government, Mr. Speaker, since I told the Leader of the Opposition that the matter had not been discussed or decided at the government level.

[Mr. Stanfield.]

[*English*]

EXTERNAL AFFAIRS

NIGERIA—REPORTED INTERFERENCE WITH OBSERVER TEAM

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to ask whether the Secretary of State for External Affairs has received any direct report from the Canadian members of the observer team in Nigeria regarding the interference they are reported to have encountered from General Adekunle, also known as the Black Scorpion. In any case, has the government taken or is it contemplating taking any action arising out of this disturbing incident?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I expect that I will have a report on the incident directly from General Milroy, who is the chief member of the Canadian observer team. I have only one comment to make; that is, I believe the work of this observer team is so useful, not only in reporting on the conduct of the federal troops, but under circumstances of civil war, I do not think any incident like this would cause us to withdraw.

Mr. Lewis: A supplementary question, Mr. Speaker. May I say, in view of the minister's answer, I am not for one moment suggesting that we should withdraw from the team. What I am sure we are all interested in knowing is whether the government is planning to obtain from the government of Nigeria a firm undertaking that such interference will not again occur, and that the team will have full freedom of movement.

Mr. Sharp: Mr. Speaker, the evidence that was given by General Milroy—perhaps I can be excused for referring to the committee—indicates that he personally had no interference, and I hope that reports we receive indicate that there is in fact no interference.

Mr. Andrew Brewin (Greenwood): A further supplementary question, Mr. Speaker. Has the minister discussed with the Nigerian government the enlargement of the terms of reference for the observer team, as urgently proposed by the team itself in its report of October 15?

Mr. Sharp: Yes, Mr. Speaker.

Mr. Brewin: A further supplementary question. As a result of this discussion does it appear that the terms of reference are likely to be enlarged?

Mr. Sharp: There has as yet been no answer from the Nigerian government, Mr. Speaker.

Mr. R. Gordon L. Fairweather (Fundy-Royal): A supplementary question, Mr. Speaker. Does the widely reported threat of a whipping by Colonel Adekunle constitute in the minister's mind a threat to the free movement of the observer team?

Mr. Sharp: Mr. Speaker, while I have very great confidence in the newspaper that reported this incident, I think we should all wait until we have a report from the Canadian observer.

[*Translation*]

NATIONAL PARKS

QUEBEC—NEGOTIATIONS RESPECTING ESTABLISHMENT

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the honourable Minister of Indian Affairs and Northern Development.

As shown on page 392 of *Hansard* of September 24, 1968, the minister made a statement with regard to the non-existence of national parks in the province of Quebec, while the federal government during the last decade spent $225 million in other states of the Canadian federation.

Could the minister tell us when he will issue the statement which he had promised us?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am anxious to make a statement. However, I must wait for the answer of the Quebec government, and I hope that Quebecers will one day be able to enjoy national parks.

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

Does the honourable minister imply that the Quebec government is to be blamed for the delay in recuperating the $60 million which is due by the federal government?

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. Now that the minister has recognized the urgent need for additional national parks, including parks in Quebec and Ontario, would he also consider reviving the recreational parks program that was discontinued by the Liberal government in 1963, so that some of the pressure might be taken off our national parks?

[*Translation*]

Mr. Chrétien: Mr. Speaker, that is the reason for creating recreational parks; the department is now studying that possibility.

[*English*]

SPORTS

REQUEST FOR EARLY REPORT BY TASK FORCE

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address a question to the Prime Minister. As all Canadians would like to see our athletes make the best possible showing in international competition, and as this costs considerably more money than is now available for adequate coaching and preparation—

Some hon. Members: Question.

Mr. Hees: I am coming to the question, and I thank hon. members for their interest. In view of this, would the Prime Minister request the task force that is presently looking into this matter to speed up their deliberations, so these additional finances may be made available as soon as possible? Also, would the government consider making tax free all donations toward financing our athletes preparing for international competitions?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, if I may answer that question, I would advise the hon. member that the task force has these very matters under consideration and is trying to come forward with its report as quickly as possible.

Mr. Hees: A supplementary question, Mr. Speaker. While this deliberation is going on and it will probably go on long after the hockey season starts, would the Prime Minister and the government give consideration to putting our three gold medal winning horses on the payroll, as a former Liberal government did a few years ago?

Mr. A. D. Hales (Wellington): A supplementary question to the Minister of National Health and Welfare. Can the minister advise the house why it was necessary to set up a task force at additional cost when we already have the advisory council—

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

Inquiries of the Ministry

AGRICULTURE

CORN—INQUIRY AS TO STATEMENT BY MINISTER

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): My question is directed to the Prime Minister. Would he use his good offices to make arrangements for the Minister of Agriculture to appear in the house today so he can make his announcement concerning corn marketing? I ask this question of the Prime Minister in view of the statement by the Minister of Agriculture last Thursday in reply to a question from myself on this subject. The minister then said:

> I expect that perhaps within a few hours, but certainly very shortly, I will be in a position to make an announcement in connection with the import competitive factors involved in the marketing problem.

The minister has not had an opportunity to make his announcement in the house, the price of corn is falling every day, and it is very important that this be done.

Right Hon. P.-E. Trudeau (Prime Minister): I will use my good offices with the Minister of Agriculture to make sure he is here for the question period some other day this week.

SHIPPING

CHURCHILL—REQUEST FOR REPORT ON EXTENSION OF SEASON

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): I have a question for the Prime Minister, if the right hon. gentleman has time for me at all. I have directed similar questions to the Minister of Transport on two occasions, and he has taken them as notice. The Prime Minister was also asked a question on this subject. The parliamentary secretary—

Mr. Speaker: Order, please. The hon. member has had the floor for some minutes and he has not asked his question yet.

Mr. Korchinski: I have been at this question for two months, Mr. Speaker. I want to ask whether the report on the extension of the season in Churchill will be provided to the house; whether this is to be a secret type of report, or whether it is to be an interdepartmental report.

Right Hon. P.-E. Trudeau (Prime Minister): I shall be pleased to discuss the matter with the Minister of Transport when he is back in Ottawa from his tour in connection with the important question of housing.

[Mr. Speaker.]

An hon. Member: What about tomorrow?

Mr. Trudeau: He will not be here tomorrow.

GRAIN

REPORTED SALES NOT UNDER WHEAT BOARD REGULATIONS

On the orders of the day:

Mr. Ed Schreyer (Selkirk): In the absence of the Minister of Trade and Commerce perhaps my question could be taken as notice by the Minister without Portfolio, the hon. member for Saskatoon-Humboldt. What action is the government taking to investigate allegations of wholesale evasion of Canadian Wheat Board regulations and black marketing in grain outside the ambit of the board?

Hon. Otto E. Lang (Minister without Portfolio): I will be very glad to take that question as notice.

NATIONAL SECURITY

JAMES EARL RAY—ALLEGED POSSESSION OF FORGED CANADIAN PASSPORT

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): My question is directed to the Solicitor General. Does the minister know the name of the young lady employed in the public service of Canada who was very friendly with James Earl Ray, the alleged assassin of Martin Luther King; and was an investigation made to determine whether she or anyone else helped Ray obtain a forged Canadian passport?

Hon. G. J. McIlraith (Solicitor General): I do not know the young lady, and I do not know what foundation there is for the hon. member's question, unless it is based on his acceptance of the stories appearing in today's newspapers.

Mr. Woolliams: May I ask a supplementary question.

Mr. MacEwan: You're slipping, George.

Mr. Woolliams: I want to congratulate the Solicitor General upon his purity. Seriously, I wonder if the Solicitor General would be prepared to make a report with regard to the alleged forgery of the passport. Would he be prepared to table the documents that led up to the issuance of the forged passport?

Mr. McIlraith: The difficulty with the hon. member's question is that he is making a

great many assumptions. I presume he is referring to a story in this afternoon's newspaper. If he is, and wishes to be more precise in his question, I will be glad to make inquiries about the matter. I know nothing about it.

Mr. Woolliams: I have a further supplementary question. Will the minister make a statement on whether the passport in fact was forged? If so, would he table the documents that led up to the forgery?

Mr. McIlraith: No, I am not prepared to give a categorical answer to the question at this time. I do not believe it is proper to do so. If an investigation is going on or if one has been going on, it is not for me to disclose details of any investigation that may be going on in any criminal case until the matter is completed. I want to look at the question very carefully before saying whether I would answer.

Mr. Woolliams: Will the minister not say if there is in fact an investigation going on with reference to the forged passport? If so, when it is completed would he give the details to the house?

Mr. McIlraith: No, and I would not answer the latter question this time.

THE MINISTRY

REQUEST FOR PRESENCE IN HOUSE OF MINISTER OF TRANSPORT

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax): My question is for the Prime Minister and arises out of a question put by the hon. member for Saint John-Lancaster yesterday. I should like to ask him whether, in light of the allegations about conduct that are being made in the country, he could use his good offices to make sure the Minister of Transport is here at a very early date?

Right Hon. P.-E. Trudeau (Prime Minister): Yes; I am informed he will be in the house on Thursday.

VETERANS AFFAIRS

REQUEST FOR EXTENSION OF DEADLINE ON LAND ACT APPLICATIONS

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of Veterans Affairs. In view of the fact that the deadline for registration for certain benefits under the Veterans Land Act is October 31, and in view of the fact there are certain servicemen whose qualifications for these particular benefits are under review by the Department of National Defence, will the minister keep an open mind and leave the expiry date open in so far as this particular group of servicemen is concerned? I refer particularly to the members of the P.P.C.L.I. band which formed part of the Korean force in 1953.

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, this date of October 31, 1968 was established by an act of parliament in 1962. The Department of Veterans Affairs has given ample publicity to the deadline. I should add that the efficiency of the publicity is evidenced by the great number of applications we have received in recent days. I do hope that all veterans who expect to qualify will do so before October 31. As to keeping an open mind, the minister always tries to keep an open mind.

Mr. Lambert (Edmonton West): May I ask a supplementary question. In view of the fact that applications that were made were turned down by the minister's department because of a certain ruling in the Department of National Defence, and in view of the fact that this ruling is now under review, surely the minister does not feel this group should be disqualified if their applications are not accepted by October 31.

Mr. Dubé: The department and the minister will try to treat all veterans with justice and equity.

SUGGESTED REFERENCE TO COMMITTEE OF ALLOWANCE ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. Now that the committee on veterans affairs has commenced its work, may I ask whether the government has yet decided to refer to that committee the War Veterans Allowance Act in order to make amendments and improvements thereto?

Hon. Jean-Eudes Dube (Minister of Veterans Affairs): No, Mr. Speaker. The committee will be studying the estimates; following that they will deal with the Woods report and then make a report. This should keep the committee busy for quite a few meetings.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. When the time comes that the government refers the Woods report to the committee, would it

consider adding along with that report the question of the War Veterans Allowance Act?

Mr. Dubé: That is a possibility, Mr. Speaker, but it has not been decided yet.

HEALTH AND WELFARE

INQUIRY AS TO REGULATION OF CIGARETTE ADVERTISING

On the orders of the day:

Mr. Barry Mather (Surrey): I have a question for the Minister of National Health and Welfare. It is related to a question asked a short time ago with regard to federal support that may be given to Canadian athletics.

Having in mind the continuing and recent reports of increasing disease associated with cigarette smoking in Canada, and the fact that a further 8,000 young Canadians start smoking every month, what consideration is the minister giving to controlling the promotion of this dangerous product, at least in the field of television advertising?

Mr. Speaker: Order. It appears to me that what the hon. member is asking for now is a statement of a nature that in my view should normally be made on motions.

Mr. W. M. Howe (Wellington-Grey): A supplementary question, Mr. Speaker. I wonder whether the Minister of National Health and Welfare would consider referring the entire question of cigarette smoking to the committee on national health and welfare.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, that matter is under consideration.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Prime Minister.

Could he tell us whether Hon. Lionel Chevrier was stating government policy last week when he forecast that within five years, Canadian assistance to the French-speaking countries would exceed $100 million?

Mr. Speaker: Order. I do not think that the question, as put by the hon. member, is in order. Members can put questions concerning a statement made outside the house by a minister, but not by a member of the public service.

[Mr. Knowles (Winnipeg North Centre).]

[*English*]

POST OFFICE DEPARTMENT

REQUEST FOR EXTENSION OF SERVICE TO URBAN AREAS

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Postmaster General. In view of the recent postal legislation that drastically increased postal rates, will the minister now consider giving postal delivery to urban areas that are now frozen?

Hon. Eric W. Kierans (Postmaster General): No, Mr. Speaker.

FISHERIES

REPORTED HAZARD FROM WATER USED IN THERMONUCLEAR PLANTS

On the orders of the day:

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I should like to direct this question to the Minister of Fisheries. In view of the fact that the water used for cooling our thermonuclear plants is creating a hazard to our fisheries, does the minister plan on taking any action in this regard?

Mr. Speaker: Order. I doubt whether the question is the type that should be asked at the present time. The hon. member might give some thought to placing the question on the order paper.

[*Translation*]

UNITED NATIONS

CANADIAN POSITION AS TO ADMISSION OF RED CHINA

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Can he tell the house whether, during this session of the United Nations, Canada will join other nations in presenting a resolution with a view to allowing Communist China to become a member of the United Nations?

Right Hon. P.-E. Trudeau (Prime Minister): The government policy has not changed with regard to Communist China. This question is about to be studied but I can say that in matters relating to the United Nations in general, the Secretary of State for External Affairs (Mr. Sharp) is going to the United Nations this afternoon to discuss several problems.

Mr. Asselin: Mr. Speaker, a supplementary question. Has the government decided whether the Canadian delegation will vote or abstain from voting on the admission of Communist China?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this is one of the questions that I will be discussing with the Canadian delegation when I visit it this afternoon and tomorrow.

[*Translation*]

Mr. Asselin: Mr. Speaker, a supplementary question.

Can the Secretary of State for External Affairs tell the house whether the Canadian government has made progress with regard to the setting up of diplomatic relations with Communist China as mentioned during the last election campaign?

[*English*]

Mr. Sharp: Mr. Speaker, we are beginning better to understand the implications of the question. We have not yet had direct contacts with any Chinese representatives.

ATLANTIC DEVELOPMENT BOARD

INQUIRY AS TO POSSIBLE CHANGE IN STATUS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he will confirm that it is the intention of his government, through the Minister of Forestry and Rural Development, to announce in Halifax today that the Atlantic Development Board is to be reduced to the status of an advisory body.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that asking what the minister will announce later today is a hypothetical question.

Mr. Stanfield: A supplementary question. Is it the policy and the intention of the government of Canada to change the status of the Atlantic Development Board to that of an advisory board?

Mr. Trudeau: Mr. Speaker, this question is under advisement by the minister and his department, and he will have an announcement to make at some time.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Would the Prime Minister inform the house whether, in making this announcement based upon a decision taken, the minister and the government are rejecting the recommendation of the Economic Council of Canada that the Atlantic Development Board ought to act as the planning and administrative agency in co-ordinating federal area development programs in the Atlantic provinces?

Mr. Trudeau: Mr. Speaker, again the question is hypothetical; the announcement has not yet been made.

Mr. Lambert (Edmonton West): It is government policy. Now, come on.

Mr. Trudeau: Why? Because it is in the newspapers?

Mr. Lambert (Edmonton West): It is under consideration. Dont give us this hypothetical bit.

Mr. Robert Muir (Cape Breton-The Sydneys): A supplementary question, Mr. Speaker. May I ask the right hon. gentleman whether, if and when such announcement is made, it will be made in the house or outside?

Mr. Speaker: Order. I am afraid that supplementary is purely hypothetical.

Mr. John Lundrigan (Gander-Twillingate): A supplementary question, Mr. Speaker. Has the Prime Minister had a change of heart from his election promise that the role of the A.D.B. would be expanded appreciably?

Mr. Speaker: Order. The question is argumentative, and I do not think is in order.

Mr. Lambert (Edmonton West): It is prophetic.

Mr. Lundrigan: Then may I rephrase my question. During the election compaign quite a bit of emphasis was placed on the role of the A.D.B.

Mr. Speaker: Order, please. The hon. member for York South.

Mr. David Lewis (York South): A supplementary question, Mr. Speaker. When the minister of forestry announces his intentions with respect to the Atlantic Development Board, I should like to ask the Prime Minister whether he will undertake that the house will also be given a general statement as to the machinery that is being set up and the plans that are being made to deal with

regional disparities, particularly in the Atlantic region.

Mr. Trudeau: Mr. Speaker, the minister has stated on other occasions that as soon as these plans are in an advanced state of preparation he will make an announcement to the house.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Would the Prime Minister give the house an undertaking that such a fundamental change in the status of the Atlantic Development Board will not be made by the government until there has been a suitable opportunity to discuss the matter in the house?

Mr. Trudeau: Mr. Speaker, again the question assumes that the change will be made. This is not an assumption that is based on any statement made by the minister.

HOUSE OF COMMONS

ESTABLISHMENT OF OFFICE OF PARLIAMENTARY COMMISSIONER

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 fact that yet another province has announced its intention of establishing the office of ombudsman, and in view of repeated assurances from the government in previous sessions, could the Prime Minister tell the house whether it is the intention of the government to introduce legislation to establish the office of parliamentary commissioner during this session?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, no such legislation is contemplated for this session. The Minister of Justice does act as an ombudsman, and he is considering the possibility of appointing a specific officer called an ombudsman.

HUMAN RIGHTS

REQUEST FOR NON-DISCRIMINATION POLICY IN NORTHERN DEVELOPMENT PROJECTS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. In view of the Supreme Court's reaffirmation of its decision in the Whitfield case, is the minister giving consideration to adopting a policy on non-discrimination so that companies doing business with the government or receiving permits from the government for development projects in northern areas will be required to agree to a policy of non-discrimination on the basis of race, colour or religion?

Mr. Speaker: I appreciate the importance of the question, but I wonder whether the hon. member would not rather expect a statement on motions. Otherwise the question should be placed on the order paper.

[*Translation*]

ADMINISTRATION OF JUSTICE

EXCHEQUER COURT RULES OF PROCEDURE IN ENGLISH ONLY

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, my question is directed to the Minister of Justice, but in his absence I would like the Prime Minister to take it as notice.

I am informed that that there is no French version of the rules of procedure in Exchequer Court. Does the Prime Minister intend to take immediate action to correct that situation, since all French-Canadian students must now study those rules in English.

Mr. Speaker: The hon. member is making representations to the minister, but if he wishes to ask a question, I suggest that his question should be placed on the order paper. However, if there was some urgency, the matter could be discussed at the time of the adjournment.

[*English*]

EXTERNAL AFFAIRS

BIAFRA—SAFETY OF CANADIAN AIR CREWS FLYING IN SUPPLIES

On the orders of the day:

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Since Canadian airmen are now flying or soon will fly to and from an airstrip in Biafra that is subjected to daily bombing and intermittent artillery fire, will the minister inform the house of the details of agreements between the government of Canada and other governments or authorities, or between the International Red Cross and other governments and authorities, guaranteeing the safety of Canadian air crews?

Mr. Lambert (Edmonton West): This question is purely hypothetical.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am sure everyone in the house will agree that the hon.

member's question is very important. During discussions on this question it has been assumed there is no risk for our airmen. There is. The Canadian government is taking every precaution it can take. The general arrangement is that the flights are to be under arrangements made by the International Red Cross with the Nigerian authorities—

Mr. Baldwin: On a point of order, Mr. Speaker, I am sure the house is most anxious to hear the minister, but I think the minister owes it to the house to revert to motions. I am sure he will obtain unanimous consent. Then there will be an opportunity for various spokesmen to make the adequate responses which need to be made.

Mr. Sharp: I have just one sentence to add to my answer. I was saying that the arrangements for the flights are in accordance with the arrangements made by the International Red Cross with the Nigerian authorities. Actually the commander of the aircraft himself is responsible for the safety of the crew.

Mr. J. M. Forrestall (Dartmouth-Halifax East): A supplementary question, Mr. Speaker. Can the Secretary of State for External Affairs tell us whether Hercules aircraft so far have flown into Biafra, or into the Nigerian sector?

Mr. Sharp: No, Mr. Speaker. The aircraft is at Fernando Po. The first flight has not yet been made.

Mr. Forrestall: A further supplementary question, Mr. Speaker. When does the minister anticipate the first flight will be made?

Mr. Sharp: Mr. Speaker, it will be as soon as the commander of the aircraft believes it is safe to make the flight.

RESEARCH

INQUIRY AS TO REVIEW OF SCIENCE POLICY

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the President of the Treasury Board. In light of the fourth report of the Science Council of Canada made public today concerning national science policy, is action being taken at the Privy Council level to review current science programs?

Hon. C. M. Drury (President of the Treasury Board): Yes, Mr. Speaker. For some time there has been a review in progress on current science policy.

Mr. Aiken: A supplementary question, Mr. Speaker. May I ask whether consideration is being given to reviving any cancelled programs?

Mr. Drury: Mr. Speaker, I do not know that specific consideration is being given to acts of revival, but we are looking at the entire matter.

FISHERIES

INQUIRY AS TO DEFICIENCY PAYMENTS

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Fisheries. Is the minister, as was promised by the Prime Minister yesterday, prepared to make a statement to this house regarding price support or deficiency payments with regard to Atlantic cod this week?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, before making a statement we are awaiting submissions from the Atlantic provinces in this regard.

INDIAN AFFAIRS

REQUEST FOR GRANT FOR PRESIDENT OF ASSOCIATION

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In light of the minister's meeting this morning with the president of the Armstrong Indian Association, will the minister make a grant available to Mr. Hector King, president of the association, as a means of encouraging direct involvement of the Indian peoples in the political process?

Mr. Speaker: I suggest to the hon. member this question might well be placed on the order paper.

INDUSTRY

NEWFOUNDLAND—PROPOSED ASSISTANCE FOR LINERBOARD MILL

On the orders of the day:

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the President of the Treasury Board. Can the minister confirm whether the government is reconsidering its announced intention to provide $20 million in aid to a linerboard mill of Canadian Javelin Limited which is proposed for Newfoundland?

Inquiries of the Ministry

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, this matter has been under discussion or under consideration for some time.

Mr. McGrath: A supplementary question, Mr. Speaker. The minister didn't answer my question. Can he confirm or deny press reports to the effect that the government is reconsidering its announced intention to provide some $20 million in aid to this proposed plant?

Mr. Speaker: Order, please. I suggest the hon. member cannot ask the minister to confirm or deny reports.

RURAL DEVELOPMENT

REQUEST FOR TABLING OF ARDA REPORT ON INDIAN POVERTY AREAS

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development. In light of the publication in a Toronto newspaper of excerpts from an ARDA report on Indian poverty areas, the government previously having declined to make these excerpts public, will the minister now table this document in the house?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have read the article in which it is stated that I received this document a long time ago.

I received the document at my office scarcely a few days ago. I have read it. It is a confidential document concerning another department: the Department of Forestry and Rural Development.

[*English*]

Mr. Southam: A supplementary question, Mr. Speaker. Is it correct to say that this report is highly critical of the paternalism of the department of Indian affairs?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the department is criticized by many people, but there are also a lot of persons who agree that there never was a government more concerned than ours with the economic and social progress of the Indians.

[Mr. McGrath.]

[*English*]

Mr. Speaker: Order, please. This is becoming a debate between the minister and the hon. member. I recognize the hon. member for Fundy-Royal.

EXTERNAL AFFAIRS

MIDDLE EAST—REPORTED STATEMENT RESPECTING NEGOTIATIONS

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Speaking in Montreal the minister said that the solution to the Middle East question will have to be found within the area itself. Is it now the position of the government that direct negotiations must take place between Israel and the United Arab Republic?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is our hope—I believe this hope is shared by all members of the United Nations—that a settlement will be found within resolution 242, under the distinguished guidance of Gunnar Jarring. He is dealing with the question of direct confrontation.

NATIONAL DEFENCE

INQUIRY AS TO ACQUISITION OF TANKER AIRCRAFT

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Defence. Since it is seven or eight months since a special study was conducted, is the minister in a position to say whether a decision has been reached with regard to the replacement of the C-141? Is the government to acquire aircraft which can refuel in the air our new support CF-5's?

Mr. Speaker: Order, please. I do not think the question as asked is a matter of urgency. However, the minister might be allowed to reply.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, we must first decide whether there is a strategic requirement for our procuring a tanker. If there is, then we shall have to make an assessment of what is available and we shall have to begin negotiations. We have not done that yet because so far the CF-5 has been considered a tactical aircraft.

Mr. Forrestall: A supplementary question, Mr. Speaker. Am I to understand from the minister's answer that the government is now reassessing the role of the CF-5?

Mr. Cadieux (Labelle): No. So far as procuring a tanker to refuel the CF-5 is concerned, we shall have to determine whether to go for strategic mobility or tactical mobility. I was saying that so far we have not made that decision.

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. Will the minister tell the house whether his department is preparing a new white paper? We have not had one for six years, and we should like one to explain some of these mysterious matters over which he presides.

Mr. Cadieux (Labelle): I contend, Mr. Speaker, that some time is still required for the first one to be digested.

Hon. Marcel Lambert (Edmonton West): A supplementary question, Mr. Speaker. Is the assessment of the strategic or tactical role of the CF-5 the first such assessment the minister's department has initiated since the purchase inquiry for some C-141's over one year ago?

Mr. Speaker: Order. The hon. member would be the first one to admit that the question is argumentative.

Mr. Lambert (Edmonton West): With the greatest respect, Mr. Speaker, the question was on the order paper and the department answered it to the effect that it did place an order for the aircraft. It is not an argumentative question.

Mr. Speaker: It is a question of argument whether it is argumentative or not.

Hon. Robert L. Stanfield (Leader of the Opposition): As a further supplementary question, Mr. Speaker, I would like to ask the Minister of National Defence who needs the time to consider this six year old report; the minister and his department?

Mr. Cadieux (Labelle): My implication, of course, was that the opposition needed the time.

[*Translation*]

FINANCE

CONSULTATION RESPECTING PROPOSED SECURITIES COMMISSION

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

Following the federal-provincial meeting which took place on October 25, 1968, with regard to the creation of a Canadian securities commission, does the Prime Minister intend to make a statement and to table in the house the studies made in this respect, so that the members of the house may be well informed on this important matter, since they profit by all the information they receive?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, these meetings between senior officials of the federal and provincial governments are still proceeding. The matter is still under consideration and we are not yet ready to draft legislation.

[*English*]

Mr. Speaker: Orders of the day.

Mr. Jack Horner (Crowfoot): I wonder if I might ask a quick question of the Prime Minister.

Mr. Speaker: Order. We have already gone beyond the period of time allocated for questions.

Mr. Horner: On a point of order, Mr. Speaker, we were told that the Minister of Agriculture is not on the roster today or on Monday, and all during this question period we were told that he was busy in his office. This is the reason we have been given for the change in the question period, but I would point out that during this question period the Minister of Agriculture was floating behind the curtains while he could have been in the house. Surely the Prime Minister will allow him into the house on the days he is not on the roster.

Mr. Speaker: Orders of the day.

Mr. Lloyd R. Crouse (South Shore): On a point of order, Mr. Speaker, I wonder if I might take a moment of the house's time at the beginning of fish and food month to say to the right hon. Prime Minister that I congratulate him on today receiving the gift of a salmon from the Minister of Fisheries. I want him to know that the members who are here

from the Atlantic provinces are only too willing to offer their services to him if he has any doubt as to the proper preparation of this fine sea food.

Mr. Speaker: Order, please. I can only say this is a fishy point of order.

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE AMOUNT, RATE OF CALCULATION, ETC.

Hon. Otto E. Lang (for the Minister of Industry, Trade and Commerce) moved the third reading of Bill No. C-113, to amend the Prairie Grain Advance Payments Act.

Motion agreed to and bill read the third time and passed.

FARM CREDIT ACT

AMENDMENT RESPECTING ELIGIBLE CLASSES, AMOUNT OF CAPITAL, INTEREST RATES, ETC.

The house resumed, from Monday, October 28, consideration in committee of Bill No. C-110, to amend the Farm Credit Act—Mr. Olson—Mr. Faulkner in the chair.

The Chairman: When the committee rose on Monday, October 28, clause 1 of the bill was under consideration.

On clause 1—"*Farmer*".

Mr. Nesbitt: Mr. Chairman, now that the minister is with us, and apart from the wider platitudes with respect to clause 1 of this bill concerning credit, could he make his announcement, which he said last Thursday he was going to make in a matter of hours, concerning corn marketing and the result of his conversation with United States officials? Farm broadcasts on the C.B.C. both yesterday morning and today indicated that his long-awaited announcement was expected momentarily. I am sure members of the committee would give the minister unanimous consent to make his announcement if he is now able to do so.

Mr. Olson: Mr. Chairman, I wonder whether I might be permitted to ask unanimous consent to do whatever is necessary at exactly four o'clock. At that time I would like to read a press statement.

The Chairman: Shall clause 1 carry?

Mr. Nesbitt: Mr. Chairman, in his reply the minister made a suggestion that will be welcomed by most hon. members. I am wondering whether you could use your good offices with the Speaker so that the minister may be able to revert to motions and make his announcement at four o'clock.

Mr. Olson: Mr. Chairman, maybe the procedure that ought to be followed is to revert to motions, but I should point out that it will take me only two or three minutes to make my statement at that time. It may take less time to make the statement than to go through the process of reverting to motions with the Speaker in the chair.

The Chairman: We have half an hour before the time of the announcement, and I think I will probably be able to work out an arrangement in the interval.

Mr. Harding: Mr. Chairman, clause 1 covers the main aspects of the bill. It seems to me that the main objection to this legislation is the government's plan to change the fixed rate of interest on loans and have it set by the governor in council. I feel that the 5 per cent interest rate should be retained and that the government should, if necessary, subsidize the interest rate. This matter has been raised on numerous occasions in the house. We would not be doing anything that had not been done previously. Again I would like to point out to the minister that in last year's annual report of the Farm Credit Corporation it was shown that interest rates were subsidized. Further, in last year's main estimates for the Department of Agriculture a sum of $3,809,176 was included which I understand was mainly to take care of the excess of interest costs accrued by the Farm Credit Corporation. In view of the difficulties the agricultural sector of our economy is experiencing this year I see no reason why the department should not carry this subsidization forward for at least the next year or two.

• (3:30 p.m.)

There is another point I should like to make. The bill before us will increase the amount of money available for borrowing through the Farm Credit Corporation by approximately $400 million. Last year an amount of $194.5 million, I believe, was lent. If an amount of $3.8 million was required to subsidize the interest rates on the 1967 and 1968 loans, the amount needed to subsidize this additional $400 million over the next year or two, whenever the amount is used up, will not be excessive. I say to the minister and to the government that this is a very small price to pay to provide some degree of stability to

the farmers who need these loans. I suggest again, as I have on other occasions, that we make this subsidy available to the farmers, particularly in the coming year.

Mr. Thompson (Red Deer): Mr. Chairman, I have a question I should like to ask the minister at this time rather than deal with it on a specific clause. It has been some months now since farm credit loans have been available to farmers. During this interval a number of loans have been approved in principle. In fact a number of these loan contracts have actually been signed except that the rate of interest is not indicated in the contract. Has it been the policy of the department to sign contracts for farm loans leaving the rate of interest open but approving the loans? It seems to me that this certainly is not a very good way to conduct business, particularly when there are farmers whose approved loans are being held up.

Mr. Olson: Mr. Chairman, any approved loan includes the interest rate and the rates and amounts of repayment along with the dates.

Mr. Thompson (Red Deer): But do the old rates of interest not apply until the new bill is actually passed? In respect of loans that have been approved in the last two or three months is it the policy of the government to require that the rate of interest be according to the new legislation rather than the old legislation which has been in effect?

Mr. Olson: In response to the hon. member's question, all loans that are approved are in fact contracts. The terms set down in those contracts carry on to the expiration of the contracts. If the hon. gentleman is asking whether any interest rates on existing contracts will be changed, the answer is no. Whatever they are they are until termination.

Mr. Thompson (Red Deer): The minister does not understand my question. I know of several cases in which the loan has been approved, the money has been granted and the rate of interest to be charged under that loan contract apparently has not been specified while the new legislation is pending. The contracts have been signed and the loans have been approved while the interest rates to be charged hypothetically in the future are held in abeyance until this legislation is passed.

Mr. Olson: I am advised that all loans that have been approved carry the interest rate in effect at the time of approval. If an indication has been given that loans have been approved pending this legislation or anything else, there is a misunderstanding of what was intended.

Mr. Thompson (Red Deer): I will be very pleased to refer one case in particular to the minister.

Mr. Harding: Mr. Chairman, earlier I raised a point concerning subsidization. Probably I should put a question to the minister. Have we subsidized the interest rates on any loans and, if so, will this subsidization carry on for the full period of the loan?

Mr. Olson: In respect of all loans that were granted at the statutory limit of 5 per cent, whatever the difference between that 5 per cent and the actual cost of the money to the corporation is could be construed as a subsidy. The Department of Agriculture in its estimates makes up the deficit of the corporation each year.

The difference between the rate of interest at which the contracts have been let—5 per cent for the first $20,000 in many cases and an economic rate beyond $20,000—and the cost to the corporation I suppose is a subsidy. But those contracts will carry on to their termination and certainly the estimates of the Department of Agriculture will have to provide for the deficit to the end of those contracts.

Mr. Harding: I have another question, Mr. Chairman. What is the total of the loans that have been subsidized in this fashion? Is it $194.5 million?

Mr. Olson: I am advised that they have been subsidizing greater or lesser amounts depending on what the cost of the money has been since 1959.

Mr. Harding: Would the total be $194.5 million?

Mr. Olson: I think it would be far in excess of $194.5 million, but it would take us a minute or two to try to get an approximation of the amount.

Mr. Harding: If we can subsidize an amount of approximately $200 million in loans why can we not continue the same policy with regard to the additional $400 million which we are preparing to advance to the Farm Credit Corporation now?

Mr. Olson: The reason is that we would have to find the money by way of taxation. While it may be desirable to subsidize certain

sections of the agricultural community, and indeed we do in greater or lesser degree, the point here is that I am of the opinion that there are far more desirable ways in which to subsidize agriculture than by being so selective in respect of subsidization that only those who borrow from the Farm Credit Corporation would be subsidized.

The policy changes from time to time. I would be the first to admit that. It seems to me, however, that if we have massive subsidization by way of interest rates of only a minority of the farmers in Canada—in this case it is about one out of four commercial farms which have loans from the Farm Credit Corporations—this would be discriminatory at least in some sense.

• (3:40 p.m.)

Mr. Danforth: Mr. Chairman, I should like to pose a question and perhaps make a suggestion which might facilitate the passage of this legislation. I am sure the minister realizes that the members on this side of the house are very much concerned about the rate of interest that might be charged to the farmers under this legislation particularly, as has been pointed out many times, because it is long term in its application. May I suggest that when we reach the clause of the bill which deals with the proposed change in the interest rates the minister should give us a very detailed statement as to the formula he believes will be used, the method of its application, what we can expect as the interest rate in the view of the government under this proposed legislation and whether or not the interest rate will be reviewed periodically for adjustment upwards or downwards as the case may be. Would the minister consider giving us such a statement? I am sure it would facilitate the passage of the bill and make unnecessary a series of amendments to be proposed by the opposition in this regard.

Mr. Olson: That item could more properly be discussed under clause 5. However, I think the formula is very simple.

Mr. Danforth: I do not think the minister understood me. I am well aware it comes under clause 5. All I am asking the minister at this time is whether he is prepared to give us a detailed statement when we reach clause 5.

Mr. Olson: The formula is so simple I can give it now, although I have already given it. The interest rate will not be more than 1 per cent above what the money costs the Minister of Finance.

Mr. Horner: Would the minister indicate whether that is short or long term money?

Mr. Olson: It is comparable term.

Mr. Horner: Comparable term; that is long term or short term?

Mr. Olson: Mr. Chairman, there are ways of calculating comparable terms in respect of what the Minister of Finance has to pay for money and the money that goes out as loans under the Farm Credit Corporation. We would take an average of a comparable term.

Mr. Harding: To follow that up, what would the interest rate be today? Surely the minister knows that. If you were to go out on the market today what would be the interest rate? You say it would be 1 per cent above that.

Mr. Olson: Mr. Chairman, I am advised that the last loan made to the corporation by the Minister of Finance was at $6\frac{3}{4}$ per cent.

Mr. Harding: What was the date of the last loan?

Mr. Olson: It was October 1, 1968.

Mr. Skoberg: Mr. Chairman, let me deal specifically with clause 1. I have some concern as to how the criterion is to be set down in respect of individual shareholders of corporations, having in mind the provision, principally occupied in farming. I have some concern in this regard because of a clipping from a recent copy of the *Western Producer*. This is an article from Madison, Wisconsin, and it warns that corporation farming would cause higher grocery bills. The article spells out here the penalties that would apply if corporation farms displaced family owned farms in this country. They would be considerable. The article goes on to suggest that a heavy burden of taxes would be borne by consumers to relieve crushing social problems as displaced farmers move to already overcrowded cities. It concludes by suggesting that a farm official has warned that the movement of non-farm corporations into agriculture is not an idle threat.

I should like to know how the criterion is to be set down in so far as the definition of the words "principally occupied" in this clause is concerned.

Mr. Olson: Mr. Chairman, I am advised that "principally occupied" means simply

that. The man must be principally occupied in making his living from the occupation of farming.

Let me also reply to the hon. member for Red Deer and advise him that we are checking out the matter he raised in respect of a specific case. As soon as I have received a report I will make a further reply. According to the information passed on to me, this is contrary to the regulations.

Mr. Skoberg: To follow that up in reference to the phrase, "a farming corporation where that individual is a shareholder of the corporation", the minister has suggested that the man must be principally occupied in farming and the majority of his time must be spent in that occupation. I am quite sure the act does not spell it out in that way or in so many words. There is no indication that he would have to spend upwards of 50 per cent of his time in farming occupations.

Mr. Olson: The man must be occupied in farming.

Mr. Skoberg: Who will set down the criterion and who will police this particular part of the measure?

Mr. Olson: The F.C.C. officials in the field will make an assessment and I am sure an applicant for a loan would also have to make a declaration that this is the fact.

[*Translation*]

Mr. Asselin: Mr. Chairman, like the member who spoke before me, I feel that the definition in clause 1 is not clear, that it is ambiguous.

The minister must know that the work of the eastern farmer is not necessarily the same as that of a western farmer. In short, our farmer cannot operate his farm the whole year round. In fact, he might leave his farm for three or four months during the winter to work elsewhere.

If I refer to the meaning given to the words "farmer" and "farming corporation" and if I go by the answer given earlier by the minister, I must take it that whoever wants to get a loan must engage in farming only and exclusively. But that definition cannot apply to the farmers in eastern Quebec, because at least 50 per cent will never be able to meet the conditions outlined in clause 1 of Bill No. C-110.

I would like to know if, in reply to a question put to him earlier, the minister really said that the farmer's sole occupation must be farming and that he must work at it full time. Does it mean that the farmer who cannot live all year round but only during seven or eight months on his farm income will be penalized or discriminated against when he tries to get a loan for his farming operation from the corporation the minister wants to set up?

Since I have the floor, I would like to ask another question. I would also like to know if the type of investigation made by the federal government with regard to loans made to Quebec farmers will change. Last year I had the opportunity of seeing in my office farmers who had applied for a federal loan; in almost every case, the federal government investigators simply went to the provincial Department of Agriculture to check the farmers' records, and if the standards of the provincial Department of Agriculture were not met, the farmers were refused those loans. I would like to know if the federal government investigation will be carried out independently from that usually made by a provincial investigator for a farm loan granted by the province.

Often, in eastern Quebec, the federal investigator consults the files of the provincial Department of Agriculture and merely by referring to that file, when he realizes that the request of the farmer was turned down by that department, he automatically refuses the request for a loan filed with the Farm Credit Corporation.

I therefore say to the minister that this bill will not serve the interests of the farmers of eastern Canada, because if one goes by the definition given in the bill, as soon as a farmer does not work on his farm twelve months a year he is not eligible under clause 1 as a "farmer" whose main occupation is agriculture and, therefore, he is unable to obtain a loan from the Farm Credit Corporation.

I wonder if the minister could enlighten us in this regard.

• (3:50 p.m.)

[*English*]

Mr. Olson: Mr. Chairman, in reply to the hon. member I would like to say that the Farm Credit Corporation have never excluded anyone for taking employment off the farm in off seasons. Indeed, grain farmers do not work on their farms the entire season, and they are not excluded. The words "principally occupied" do apply, however, and we mean by these words that it must be his principal occupation. The majority of his time

must be spent in that occupation, and his income in particular must come from the occupation of farming.

So far as the other question is concerned, I would like to advise my hon. friend that the F.C.C. makes an independent assessment of the situation with regard to every application in the province of Quebec and everywhere else. But it does, of course, as do all agencies of this nature, obtain whatever information is available in order to make as accurate an assessment as possible of the credit standing of the applicant.

Clause agreed to.

Clauses 2 and 3 agreed to.

On clause 4—

Mr. Danforth: Mr. Chairman, with regard to clause 4 I am particularly interested in subclause 2 (b) (i) which provides as follows:

(i) in the case of an individual, where in the opinion of the corporation the experience, ability and character of that individual are such as to warrant the belief that the farm to be mortgaged will be successfully operated.

I am particularly concerned about the fact that throughout this bill there seem to be provisions made under various clauses—I shall deal later with another clause which further amplifies my contention—whereby it will be possible for corporations or business enterprises, whose main purpose is the investment of capital rather than the promotion of agriculture, to move into the agricultural field using government money, having qualified under this act. I simply ask the minister whether this is the intention of the bill.

Under a previous clause the minister defined "farmer" as being an individual whose principal occupation is farming. But later in the bill we see that money may be lent to a corporation of which only one shareholder is engaged in farming. The only qualification is that he be principally engaged in farming and be 21 years of age. He may have three partners of any age who may be engaged in any business, but because of their financial investment they are a part of the corporation. I bring this matter to the attention of the minister at this time because it seems to me that if this is the interpretation to be placed on the bill it is designed to bring about vertical integration rather than to extend credit to individual farmers.

Mr. Olson: Mr. Chairman, I reply by saying that I cannot accept the argument that this will make it easier for corporations, the shareholders of which are not farmers, to obtain funds from the F.C.C. for the purpose of setting up a farming unit. In clause 4 (2) (b) (i) there is spelled out the definition of an individual who would qualify under the bill. The provision is:

—where in the opinion of the corporation the experience, ability and character of that individual are such as to warrant the belief that the farm to be mortgaged will be successfully operated—

And so on. The purpose of this amendment is to relate these characteristics to the individual shareholders of farming corporations as members of co-operative associations, since it is recognized that these are qualities of individuals as distinct from the qualities of the incorporated body. Therefore we think this provision ought to be in the bill so that the opinion of the field men of the Farm Credit Corporation can be taken into account in assessing the individual's capabilities as a potentially successful farmer, rather than the corporate entity, even though the loan may be made to the corporation. We also believe that this will assist family farms, rather than hindering them, in competing with corporate farms, because it will give them availability to larger amounts of credit within the family.

Since it is four o'clock, Mr. Chairman, I wonder whether I might be permitted to read a press release respecting corn.

The Chairman: Does the committee give unanimous consent to allow the minister to make the statement?

Some hon. Members: Agreed.

Mr. Danforth: On a question of privilege, Mr. Chairman, may I request that if the minister is allowed to make this statement we be allowed the same latitude in commenting on the statement or questioning the minister on it?

The Chairman: Yes. I would like to suggest to the committee that we follow the procedure that is normally followed when Mr. Speaker is in the chair. I will recognize a spokesman from each of the opposition parties, if there is one who wishes to speak to the statement, and we will try to limit the discussion in this way.

Mr. Olson: Mr. Chairman, a few extra copies of the statement have just been brought in. Perhaps hon. gentlemen opposite would like to have them. There are some in English and some in French.

Effective October 30, the federal government will apply value for duty on United

States corn imported into Canada. This will ensure that corn will not move into Canada at prices below the U.S. support level of $1.05 U.S. per bushel. We have made this move after full consultation with the United States in accordance with our international trading obligations. I am confident that our action will bring a considerable measure of stability to the current corn marketing picture. I am pleased that we have been able to do this before quantities of U.S. corn have been imported into Canada at prices below their support level.

• (4:00 p.m.)

While the application of value for duty will bring considerable immediate benefit, there is no thought that it represents a permanent solution. Very fundamental marketing problems still exist for our corn growers in southwestern Ontario. For our part, we are continuing to pursue every possible avenue for answers to these problems. In the final analysis, however, producers themselves must play an active role in bringing about solutions. As I have said before, the means exist by which producers could relieve the marketing problem by creating a corn marketing agency under provincial legislation. Such an agency would be able, through more orderly marketing of Canadian corn, to stabilize and strengthen corn prices.

I also wish to note that other recent federal government action has included accelerating the depreciation allowance for farm storage facilities and the guaranteeing of storage space for corn in downstream elevators.

Mr. Danforth: Mr. Chairman, the minister through his statement today has finally conceded the truth of the contention by the farmers of Ontario that corn has in effect been dumped into this country from the United States—

Mr. Olson: No, I did not.

Mr. Danforth: —and action has at this late date been taken by the government to apply value for duty on United States corn imported into Canada, although only to the extent of the U.S. support level of $1.05 a bushel.

The minister did not state how this affects the 8 cent duty already established against United States corn, a rate which was unable to protect our market. We would like to know whether the 8 cents a bushel duty will continue in addition to the value for duty provision or whether one will be substituted for the other.

It is unfortunate that for the most part the damage has already been done to the Canadian market this year. A tremendous amount of Ontario and Canadian corn has already been harvested and sold through normal market channels. The minister's announcement will be cold comfort indeed for those farmers who have already been forced to dispose of their crops. Through its action even at this late date the government has finally recognized that the contention of the producers was valid.

The minister himself says this is only a temporary measure. I hope, therefore, that active consideration will be given immediately to methods by which the Canadian market will be protected for the 1969 crop. Surely the producers of this crop are entitled to a fair market return for their investment and labour, as are those who work in other segments of the industry.

These arrangements could certainly have a stabilizing effect on the corn market in Canada—I am not saying they will—and might stabilize sales at better than the current price. But the lateness of government action and its limited scope indicate that the over-all picture for corn growers in 1968 will be a gloomy one.

Mr. Gleave: Might I ask the Minister of Agriculture a question? What does this announcement really mean in terms of a stabilized price for producers? Is the minister in a position to answer this question? I am not speaking facetiously.

Mr. Olson: I realize that this is probably against the rules under which we normally proceed but perhaps I could reply by saying this. I omitted to tell the committee that $1.05 works out at around $1.28 in Canadian funds making allowance, according to our calculations, for 8 cents duty, 8 cents exchange and 7 or 8 cents in transportation costs.

Mr. Gleave: The important factor, now that the government has taken this action, is what this really means to the producer. I talked to some of the corn growers when they were here, as I am sure the minister did. One figure they gave me for production cost was $1.27 per bushel. They quoted that figure as being the actual cost of production. I think it is fairly reliable though, of course, costs of production figures vary, as any of us who farm know. So the action proposed, taking into the account the information the minister has just given us, would just about bring the price within a cent of the cost of production.

In accordance with the assumption just made, it would not leave the farmer anything by way of a profit or net return.

However, I say quite frankly that I think the government has moved to meet the situation at least in a temporary way. I judge from talking to these farmers that their situation is as serious in its way as the one farmers face in western Canada. I hope the government will now move seriously and quickly, either on its own or together with the province, to stabilize the price of corn at a level which will enable growers to operate successfully and, to use the term we normally use, economically. Some of the things which might be done are mentioned in the press release.

• (4:10 p.m.)

[*Translation*]

Mr. Fortin: Mr. Chairman, first of all, I want to tell the Minister of Agriculture (Mr. Olson) that we welcome his statement concerning the application of value for duty on United States corn imported into Canada, since this solves in part the problems raised by a great number of Ontario farmers as to the price of Canadian corn and the dumping practised by the United States.

However, Mr. Chairman, we maintain that this measure is incomplete, because it is not drastic enough. Let us say that it is a makeshift, since it does not involve a complete solution designed to protect Canadian production.

For instance—and I should like to point this out to the minister—we face the same problem as concerns the Canadian celery production and the potato production in eastern Canada. I think it rests with the minister and his officials to look into the problem immediately, so that we are not faced with urgent situations as the one that arose a few days ago about corn.

I also want to thank the minister for having given us the French version of his statement; we are pleased to mention this, because most statements made in this house are usually delivered in English, without a translation being handed to us.

Mr. Chairman, our anti-dumping legislation must be drastic. That is why I am puzzled at this announcement of the Minister of Agriculture, because it creates a buffer situation which will have to be faced again some time from now. I understand that our economic situation, like that of other countries, changes constantly, and that we must adjust to it.

That is why I think that when the government intervenes too late, when the damage has already been done, remedial measures must be taken. That is why I ask the honourable minister whether he anticipates the introduction of measures providing for a compensation for the losses incurred by the farmers during the crop year 1968. I notice that no such measure is provided in his statement.

In closing, I should like to call the attention of the honourable minister to another subject which is not really related to this discussion but which comes under his department. We would greatly appreciate it if he would tell us soon whether the Canadian Dairy Commission might issue new milk quotas and raise the present quotas for the farmers concerned. I know that in the Lotbinière riding, for instance, many farmers are deprived of revenues to which they are entitled for the simple reason that the policy of the Canadian Dairy Commission at the present time is restrictive.

I think that, at the present time, it is an urgent matter for eastern Canada, and although I praise the minister for his work with regard to western farming, I should like him now to turn his attention towards the eastern farmers and to take drastic measures with regard to the dumping of some American goods.

[*English*]

Mr. McCutcheon: Would the minister permit one brief question?

The Chairman: Order, please. I do not want to be too severe, and perhaps by leave of the committee we might allow the hon. member for Lambton-Kent one question. The understanding was we would hear from the official spokesmen of the various parties and then revert to the bill. Is it the will of the committee that the member be allowed to ask a question?

Some hon. Members: Agreed.

Mr. McCutcheon: Thank you, Mr. Chairman. The minister mentioned in his statement that corn would be roughly $1.28 per bushel, having regard to the exchange and all the other factors. Cash corn in Chicago has been $1.07 but Canadian corn has been much lower. In fact, was the minister not saying that United States corn in Canada would be $1.28, not necessarily Canadian corn.

Mr. Olson: The answer, Mr. Chairman, is yes. But I am of the opinion also that the

possibility of what is referred to as free United States corn coming into Canada at substantially lower prices than the United States support level is causing a depressing effect on our market in Canada now. By putting on a value for duty we are not going to change the price immediately but all the the traders who are in the business will know their competitors will not some day, two weeks or some time from now within the navigation season, be able to obtain corn at a substantially lower price than they are paying Canadians now.

I am fully aware of the fact there are other problems, as I mentioned in the statement, with regard to competition in Canada, such as competition for drying and storage facilities because of the congestion at harvest time. We do not claim to have corrected that problem by this action. However, it will put a floor under the competitive factor in so far as United States corn is concerned. I hope that will have a stabilizing effect.

Mr. McCutcheon: I do not want to impose, but the price relates to No. 2 corn, does it?

Mr. Olson: There is no grade mentioned in the statement.

The Chairman: Order. The committee will now revert to the consideration of Bill No. C-110. Shall clause 4 carry?

Mr. Burton: Unfortunately I had to be out of the house for a few minutes when clauses 2 and 3 were being considered. I wonder whether I might have the permission of the committee to revert briefly to these clauses in order to ask one question on each of them?

The Chairman: Does the committee grant leave to revert for the purpose of two questions by the hon. member?

Some hon. Members: Agreed.

Mr. Burton: Clause 2 deals with the security for mortgages and loans. I should like to draw the attention of the committee and the minister to a letter which the minister has received and of which he will be fully aware. However, I do want to raise the matter in the house. This letter was sent to the minister by the National Farmers Union and relates to the security arrangements. It is dated October 8 and is from the president of that organization. Copies of it have been made available to some members. It reads:

> We have been concerned in the past about the security demanded by Farm Credit Corporation to back its loans, which appears to be in excess of what seems essential.
>
> In our submission to your government on March 7 of this year, we gave the example of a farm wife in Saskatchewan who was required to sign away her rights under the provincial homestead act on the home quarter section of land which, in addition to two other quarter sections of land, was required by the Farm Credit Corporation as collateral for a loan of $12,000 for the construction of a farm home. It is our feeling that security of this type exceeds the need.
>
> Furthermore, there appears to be a conflict between the federal and the Saskatchewan homestead acts in this instance.
>
> We would appreciate some assurance from you that the proposed amendments would be broad enough to eliminate the need for the wife of a farmer to be dispossessed of her rights guaranteed under provincial legislation where such rights exist.

I would be interested in having the minister's opinion on this representation that was made to him.

If I may, I should like at the same time to ask my question on clause 3. I understand that this provision raises the capital of the corporation to $56 million and also has the effect of raising by $400 million the amount of money that may be lent by the government of Canada to the Farm Credit Corporation. How long does the corporation, in its forward planning, expect this additional amount of money will be adequate to meet its lending needs in so far as can be foreseen at this time?

Mr. Olson: In reply to the hon. member's question on clause 2, I do not believe that the matter the hon. gentleman raised regarding the provision that a wife sign away any of her rights applies to this clause. From time to time borrowers wish to rearrange their holdings and make substitution for the security on the mortgage to the corporation. The purpose of clause 2 is to make it clear the corporation has the power to agree to such exchanges without the necessity of proceeding by way of an entirely new loan. That is the purpose of this amendment.

With regard to the provision of the Saskatchewan homestead act which requires that a wife agree to sign any mortgage being placed on the home quarter, it should be noted she does not sign away her rights nor is she dispossessed of any rights under the homestead act. She gives priority to the claim of the mortgage, and only to the extent of the interest of the mortgagee in the property. Since the loan given is as much in the interest of the wife and family as it is of the borrower, there can be no injustice in this requirement, and any individual person or institution must have the wife's signature if a

valid first mortgage is to be taken as security for a debt.

This requirement is not peculiar to Saskatchewan. In Ontario, for example, a wife must bar her dower rights in order that a valid first mortgage can be registered against the home unit.

So far as the second question is concerned regarding clause 3, we estimate that the additional fund, together with the repayments that will be coming in from loans already extended, will last about two and a half or three years, although we cannot estimate that precisely.

The Chairman: Shall clause 4 carry?

Mr. Danforth: I am still convinced in my own mind, although we have a statement to the effect that loans will be made only to individuals whose principal occupation is farming, that other clauses in the bill circumvent the purport of this clause. It is my contention that this provision is an admirable vehicle for vertical integration. If I were so inclined I could take advantage of it for vertical integration. There is another clause in the bill which states that the Farm Credit Corporation may lend to a farming corporation, and only one shareholder need be principally occupied in the farming operations of the corporation. The only other qualification is that he must be 21 years of age.

• (4:20 p.m.)

To bear out my argument in this regard I point out that there is also a provision in the bill that will delete a regulation under the act which stated that an individual had to have five years' experience in farming. Under the proposed amendment to the act a man who proposes to take up farming does not even require five years' experience.

Therefore, my contention is that it is possible for a group of businessmen to come within the terms of the act by associating with one individual who is over 21 years of age and willing to undertake the profession of farming, the only other qualification being that they must satisfy the corporation that as a group they will be able to carry on an economic farm operation. Although there does seem to be sufficient protection under clause 1 and clause 4, further clauses in the bill give the Farm Credit Corporation the power to make loans to establish strong, vertically integrated corporations, formed as business or capital investments to carry on the business of farming, an occupation that the act was designed to help.

Mr. Olson: Mr. Chairman, the answer to the hon. gentleman's question is, I think, to be found in clause 1 which states that the corporation cannot lend money to anyone who does not qualify as a farmer as defined in clause 1.

Mr. Danforth: All that the clause says about a farmer, Mr. Chairman, is that he is an individual whose principal occupation is farming.

Mr. Olson: The clause goes on.

Mr. Danforth: I know it goes on. It goes on to define what a farmer is. It goes on to say that a farmer is an individual who is the owner of farm land and that he must be 21 years of age. I contend that a corporation could thus qualify. The clause defines a co-operative farm. A co-operative farm has to satisfy the corporation that it is being carried on as an economic unit.

Clause 1 and, by interpretation, later clauses of the bill make it possible, I suggest, to carry out the type of farming operation to which I have referred. It depends on how the Farm Credit Corporation interprets the regulations. The clauses of the bill set out in no uncertain terms that the corporation may make loans to farm corporations. Clause 10 provides that a loan may be made—

> (b) in the case of a farming corporation of which, at the date the loan is approved by the corporation, only one shareholder has attained the age of twenty-one years and is principally occupied in the farming operations of the corporation—

Under clause 1 a farmer is defined as an individual whose principal occupation is farming, or who could be established on a corporation farm as a farmer. All that is required is the fulfilment of the rest of the qualifications so as to satisfy the corporation that the farming business will be an economic one when carried on in this fashion.

According to other provisions in the bill such a corporation may borrow money only as long as it shows to the satisfaction of the corporation that such money will be used for farming purposes. I am wondering whether the minister is aware of this and whether he can point to any further safeguards which are not apparent to me and may make such a proposition impossible.

Mr. Olson: Mr. Chairman, clause 1 defines a farmer as an individual whose principal occupation is farming. Then it goes on to say that

a farming corporation will be defined by regulation. I think the hon. member realizes that the majority shareholder in such corporation must be a person or persons who is or are primarily occupied in farming. The change from a family farm corporation to a farming corporation allows for the kind of arrangements to be made that I mentioned some time ago. It allows people who are not closely related to take advantage of efficient farm operations and to compete with large commercial corporations in the farming industry.

Mr. Horner: May I interject a question here that perhaps the minister can clear up? Is the minister saying that somewhere in the bill there is a clause that provides that the majority shareholders of a corporation must be actively engaged in farming? Is there a clause that specifically spells that out? According to clause 11, the direct opposite is the case. According to clause 11 only one person has to be a farmer.

Mr. Olson: This will be dealt with by the regulations. I would advise my hon. friend that the holding would perhaps be substantially above 51 per cent.

Mr. Danforth: Mr. Chairman, in spite of what the minister has just said, in the clauses of the proposed bill there is provision that the corporation may make loans to any shareholders who are principally occupied in, or shortly to become principally occupied in, farming operations. If I wish to invest capital in a farm corporation and I am not engaged at the time in an occupation or trade but am receiving even small remuneration from corporate farm holdings, then under this act I can classify myself as a farmer since I derive a source of revenue from farming. Therefore I still contend that under this act no definite provision in this regard is made because the one provision, in my considered opinion, completely nullifies the other regulations as stipulated.

Mr. Olson: Mr. Chairman, according to the clauses of the bill a farming corporation must be one that is defined by regulation. This is not new; this has been the case in the past. I did mention to my hon. friend from Crowfoot that 51 per cent of the shares must be held by practising farmers. He need have no fear of the regulations with regard to this matter; it could be substantially higher than that figure.

Mr. Horner: Would the minister permit a question on that point? What is the thinking behind this figure of 49 per cent or some lesser amount in order to bring non-farmers within the terms of the bill?

Mr. Olson: One of the main reasons is that there may be in a family corporation a minor who has been willed or in some other way bequeathed an interest in the farm. If there were no provision in the regulations in relation to a minority interest in a farm on the part of someone who is not an active farmer, then active farmers or an active farmer in a family corporation would be prohibited from making application for a loan. This will be very much of a minority interest. By restricting this matter it seems that we shall be doing the other members of the family who are active in farming a service by not prohibiting them from making an application.

• (4:30 p.m.)

Mr. Horner: By permitting junior members of the family corporation to enter into agreements with the Farm Credit Corporation is the government not creating a loophole which will allow businessmen and others not particularly interested in agriculture to borrow money and invest it in land? Could businessmen not join together, buy up farm land and hold on to it as an investment? Farm land has become more valuable, and many have bought it purely as an investment.

Mr. Olson: I do not think that would happen because the regulations and instructions to those administering the legislation will be such that we shall avoid that happening. I might explain to the hon. members for Kent-Essex and Crowfoot that except for the provisions of this legislation young members of a farm family who wanted to apply to the corporation for a loan would first have to find cash to buy out other interested members of the family. To remedy this situation is one reason for the provisions of this legislation.

With regard to the second point raised by the hon. member for Crowfoot, I can assure him that we do not intend to let land speculators use F.C.C. money.

Mr. Horner: It is hard for anyone to read intentions in a man's mind. A farmer might buy land, hold on to it for a while and sell it three or four years later. No one knows a man's ultimate intention when he applies for a loan.

Mr. Danforth: Perhaps I can make my point clear by citing an illustration. Say that under this act three individuals approach the

Farm Credit Corporation and borrow $100,000. This is possible. These individuals would, of course, form themselves into a corporate farm. Conceivably, another three men might become interested in an adjacent property and with respect to that property the six individuals could form themselves into a syndicate. As a syndicate they could borrow up to $100,000 for the purpose of establishing, say, a grain dryer. The result is that we then have a vertical corporate enterprise that has borrowed up to $200,000 of the government's money at a stipulated rate of interest for a long term.

Under the present proposal it seems that only two of the individuals concerned would have to be farmers. If six men were involved altogether it would mean that less than 50 per cent of the corporate members would be actively engaged in farming. It seems that the minister's proposal will enable businessmen to move into agriculture. Let me say at once that I am not averse to business or capital moving into this field. Nevertheless, it could well be that individuals who now find it hard to farm might even find it harder under the new legislation.

Mr. Olson: I hope my answer may clear the matter in my hon. friend's mind. Those who make such applications must be occupied principally in farming. The case of corporations is clearly defined. It has been said already that well over 50 per cent, perhaps up to 75 per cent, of the shares in the corporation must be held by those actively engaged in farming.

In the hon. gentleman's example, three farmers acting together might, under this legislation, borrow up to $100,000 from the corporation. In the case of a syndicate the loan would be three times $15,000 or $45,000, to set up a grain dryer. These amendments are to allow farmers to form themselves into co-operatives or corporations. They will then be able to form large units and buy all the necessary equipment to make farming an economic proposition. In fact, farmers will be able to compete with those whose principal occupation is not farming and who enter farming on a commercial basis. We hope that our amendments will result in making it easier for farmers to farm and to form themselves into co-operative corporations so that they can farm economically and successfully.

Mr. Skoberg: I am sure we all think that for the good of our country we must have successful farmers. Nevertheless, I have my doubts about the legislation and I think the fears expressed about farming being taken over by corporations may become a reality.

May I direct the minister's attention to clause 4(2)(b)(i), which begins with the words "in the case of an individual, where", etc. How much practical knowledge do the field men who make the final determination with regard to F.C.C. loans have? I expect other hon. members have heard what I am about to say. Rightly or wrongly, some farmers maintain that the field men employed by the corporation have no practical knowledge of agriculture. It is true they have been to university and have qualified for the jobs they have been asked to fill. All the same, they have had little experience of practical farming. Is practical knowledge a requirement when men are asked to fill field positions? Let me say I am completely in favour of agricultural schools at which people can obtain agricultural degrees. Nevertheless, a man's practical experience ought to be considered.

Mr. Olson: Mr. Chairman, we do require our field men to have practical experience in farming. Many of our field men have university degrees in agriculture. They have attended agricultural schools and specialized in various subjects at those schools. When they are engaged by the Farm Credit Corporation they are given further training in management and are told their functions and the purposes behind the administration of the act. I think we have a proud record in the quality of personnel administering the act in the field. The specific answer to the question is that they must indicate that they have had some practical experience in farming.

• (4:40 p.m.)

Mr. Skoberg: I am a little disappointed that we do not have the regulations before us because as far as I can see they really form the basis for the bill. I hope that the men in the field will not be placed in the position of putting different interpretations on what the regulations mean or should mean. Will the regulations be clear enough to spell out exactly what is required in this regard?

Mr. Olson: The regulations made under any act, and this bill is certainly not unique, are always written after the act has been passed. That will be done in this case. I can assure the hon. gentleman that the regulations, directives and instructions to the field men will be drafted and given in such a way as to carry out the letter, intent and spirit of the act.

Mr. Danforth: The minister has given us an undertaking that the last annual report of the Farm Credit Corporation will be placed at the disposal of the standing committee on agriculture. Presumably this bill will have been passed and proclaimed in the interim. Will we then have an opportunity to examine the regulations in detail and satisfy ourselves that the problems we are faced with are being met?

Mr. Olson: Certainly, Mr. Chairman. When the annual report of the Farm Credit Corporation is referred to the committee we shall be willing to attach a copy of the regulations drawn up following passage of this bill. Obviously they will be drafted as quickly as possible following passage of the bill. I can foresee nothing to stop the committee inquiring into the regulations.

Mr. Danforth: Then I am satisfied.

Mr. Gleave: Clause 4(2)(b)(i) reads:

—in the case of an individual, where in the opinion of the corporation the experience, ability and character of that individual are such as to warrant the belief that the farm to be mortgaged will be successfully operated—

I hope the corporation will place some emphasis on this part of its operation. Rightly or wrongly, evidence in certain instances has forced me to the conclusion that in recent years the corporation has placed considerable emphasis on the amount of security demanded. It bothers me to think that a senior farmer, in order to get a younger member of his family established in farming, is faced with a demand that he mortgage most of his holding. I would like to hear the minister's comment on what the policy will be. I expect that if I were responsible for the affairs of the Farm Credit Corporation I would want as much security as possible. However, excessive security demands should not be made.

I should also like to ask the minister how many supervisors the corporation has to assist the type of individual envisaged by this clause? I know the corporation has competent men in the field to assess loans. Does it have men specifically trained to assist a farmer after he has received a loan and to help a group of farmers within a given area in matters of farm management? Such an area might extend over 100 or 150 miles. Does the corporation train staff for this purpose?

Mr. Olson: I suggest that the hon. member could more satisfactorily ask those questions of witnesses who will be called before the agricultural committee when the corporation report is referred to it. However, I should advise him that there are approximately 275 advisors who are trained in assessment and supervision. I should also advise him that all of them are trained in farm management practices.

Mr. Gleave: Is the minister seriously suggesting that all of the staff which the corporation uses to make loans are competent to give a farmer advice and help year by year or month by month and assist a young farmer with the operation and management of his farm? Surely he is not seriously suggesting that all the staff are in that category?

Mr. Olson: I certainly do not want to leave the wrong impression. The figure of 275 is not the total personnel of the Farm Credit Corporation. We have 275 field men and all of them are trained for purposes of supervision, assessment and farm management. So far as competence is concerned, that is a relative thing. No doubt one could find farmers in all parts of Canada whose competence and managerial skills would be equal, or superior in some cases, to those of F.C.C. personnel. Further, we have an advisory committee composed of competent farmers, or what we hope are competent farmers. In any event, we regard them as competent farmers. That committee gives us advice on how the regulations should be applied from time to time.

It is difficult for me to give a positive answer on the relative degree of farm managerial skills possessed by any one or by all of the corporation's personnel, but I am satisfied it has a good field staff and we are doing all that can reasonably be done to keep the standards as high as possible.

• (4:50 p.m.)

Mr. Gleave: I am sure you are doing all that can be done, but I am trying to point out that I believe there is a hole in the operation. If it really is the intention to carry out the supervisory role, to really do something in respect of a program for the younger farmer who is entering the field and make credit available on the basis of the individual rather than on the basis of massive security, I think you will find that you have not a large but rather a limited number of people who are capable of effectively carrying on this type of work. I do not believe you have them, Mr. Minister.

Mr. Olson: I do not like to disagree with my hon. friend at this point when we are

getting along so well, but I must tell him rather frankly that I think we do have them.

[*Translation*]

Mr. Fortin: Mr. Chairman, I should like not only to address some brief remarks to the minister at this stage, but also ask him a few questions concerning farm credit.

We are talking about the regulations and personnel of the Farm Credit Corporation. In answer to a question which I had put on the order paper concerning the administration and the administrative staff of this corporation, I was given some figures—I do not remember them, but they could be checked—showing that the Farm Credit Corporation is a sort of Anglo-Saxon reservation.

First of all, I should like to ask the minister, if he has the figures with him, to confirm or deny what I say and to tell me that is how the Farm Credit Corporation, like other crown corporations, incidentally, applies the bilingual policy of the government.

In the second place, Mr. Chairman, I would like to specify that we earnestly hope that the style of the regulations enacted after the passage of the bill will be simple, comprehensible and will fully indicate all implications of the legislation, especially from the financial point of view.

I therefore conclude my brief comments by asking the minister to make a very great effort so that bilinguism will become an actual fact in the public service, especially in the Farm Credit Corporation.

[*English*]

Mr. Howe: Mr. Chairman, in my earlier remarks concerning this credit legislation I made reference to a situation which developed in my own area this year when hurricanes and disaster plagued the farmers in part of Grey county. At that time I asked the minister whether there was a policy whereby the corporation might grant a moratorium in respect of future payments if any of these farmers, because of the disaster, are not able to make their payments on farm credit loans. I point out that I asked the minister whether he would consider matching a provincial government grant or matching dollar for dollar the money raised in the area by friends and neighbours. I am wondering whether the officers of the corporation in that area, or the corporation generally, have any policy with regard to extending the time in which these farmers may make their payments if there should be farmers who find themselves in difficulty.

[Mr. Olson.]

Mr. Olson: Yes, Mr. Chairman. I am advised that we do not do this for an area. We do not declare a general moratorium in respect of payment for a whole area. But with regard to individuals in an area where a natural disaster, if one may call it that, has occurred, very sympathetic consideration is given to applications that payments be deferred.

Mr. Howard (Okanagan Boundary): I should like to comment on the question raised a few moments ago regarding the competence of the departmental examiners. I have had some experience in working with these people in my own riding. I have found them to be most competent. I have seen evidence that they knew far more about the farming business than did some of the applicants for loans. I believe it is very much to their credit that they should have this much knowledge and experience.

A method is used in the United States that might be worth mentioning here as something which might be applicable when consideration is being given to further revisions of this act. Under the land bank system in the United States loans of this kind are made by a board in each community. The board is composed of experienced farmers from the area. These farmers have the power and authority to grant the loans in conjunction with the government representative.

This type of arrangement makes it possible for the farmers themselves to give to a new farmer the kind of assistance and advice that has been mentioned. In this way the loan board in effect goes farther than just providing money. It is in a position to provide both experience and assistance to a man who may be in need of it. I have watched this type of operation in the United States and it would appear to be a most effective way to handle this problem. This might be something we could consider in respect of our own Farm Credit Corporation at some time in the future.

Mr. Olson: All I wish to say in response to the hon. member's comments and suggestions is that I am advised by the chairman of the Farm Credit Corporation that they are familiar with this organization in the United States.

Mr. Schreyer: Mr. Chairman, the hon. member for Kent-Essex and the hon. member for Crowfoot have attempted to obtain from the minister the assurance that nothing in this

bill will encourage the greater entry of corporate farming into the Canadian scene. I know the minister has given the verbal assurance that it is not the intent of Bill No. C-110 that this situation should come about. However, when one looks at certain provisions in the bill—I refer particularly to clause 4, subclause 2(b), and clause 11—one cannot help but feel a little uneasy because it would seem there is more than adequate provision here. There would appear to be a large loophole in the bill which would enable the Farm Credit Corporation at some future date to extend loans in a massive way, if there should be a change in policy to that end, to large companies which wish to become involved in argicultural production. For example, in subclause 2 (b) (ii) we see the following:

> —in the case of a farming corporation or a co-operative farm association, where in the opinion of the Corporation the experience, ability and character of those shareholders or members who are principally occupied in the farming operations—

I shall stop there because the implication is clear that certain shareholders need not be principally occupied in farming operations. It would seem equally clear in clause 11 that there is again reference to a loan being extendable to persons or corporations which have not become involved in agricultural operations but merely have the intent to do so at some future date.

• (5:00 p.m.)

I merely want to point out to the minister that with the passage of this legislation there will be a great onus on him to live up to the words of assurance given a few days ago and again today, that in fact this bill is not intended to encourage in the slightest way a greater entry of corporate structures into farming and agricultural production. I realize that the minister can get up again and say that all he can do is reaffirm that this is not the intention of this legislation or this government. But let me point out to him that the wording of the proposed legislation is such that it certainly creates a loophole big enough for a team of horses to be driven through.

Mr. Olson: The hon. member anticipated the answer. I gave an undertaking that this legislation was being brought forward for the purpose of assisting family farm units to compete with the invasion—I think that was the hon. member's word—by commercial enterprises into farming. I have to rely on the explanation I gave. As is mentioned in the bill, the corporations are those limited type of corporations as defined in clause 1, and this will be spelled out in so far as the shareholder's interest in the corporation is concerned. It will be spelled out in the regulations. Those shareholders, except for the very few or the minority which I mentioned a few moments ago, will have to be principally occupied in farming. They will have to be persons actively engaged in operating farms.

Mr. Korchinski: Now that the minister has gone that far I should like to know exactly where we are drifting. My opinion is that we are moving directly toward corporation farming. The minister has given us the assurance that he is trying to stave off this movement. I hope he can be successful. He suggests that the prime interest must be in agriculture. How does he intend to move toward this goal? Does the minister intend to require that so much money must be gained from farming? If that is so, how will the regulations apply in a bad year when everyone knows darn well that he is not going to make any money out of farming? These people are likely to find occupations in which they can make some income. It is in these years that people want credit from the Farm Credit Corporation.

The minister has not convinced me that we are not moving toward corporation farming. What are we going to do about those people who find themselves in this twilight zone, if you like? We will find many people in this position. This is not a laughing matter. The minister thinks it is funny because he is smiling.

Mr. Olson: No, he does not, Mr. Chairman.

Mr. Korchinski: Let me tell the minister in all sincerity that there are many people who are honestly trying to make a living from farming. They dearly want to be able to do so. They need credit. What will happen is that someone here will decide whether they should be given credit or whether they will have to get out of farming.

Mr. Olson: Perhaps I could reply to the hon. gentleman by reminding him that over the years this matter has been controlled satisfactorily in relation to the provision that an applicant must principally be occupied in farming. This is not going to change. These words have to be added in order that this will apply to individuals who are also in corporations, family farm corporations and so on. That is not going to change.

If because of adverse weather conditions or anything of that nature someone finds it necessary to obtain some income from farming, the regulations will not be any more severe than they have been in the past. This is something that must be looked at every year, I suppose in some part of Canada. The same rules and the same spirit, if you like, will be followed in making allowances in respect of applications. I am sure my hon. friends will agree that these people have done a very satisfactory job in the past in this regard.

Mr. Korchinski: Those are fine and dandy words—great phraseology. The man involved in agriculture who is trying to eke out a living on the farm finds himself in direct competition with the service station and machine shop operators.

An hon. Member: Ha, ha.

Mr. Korchinski: Someone said "ha, ha". I do not know whether that came just from the Toronto section or from the Liberal section. I suggest that the Liberal party better have a caucus and realize that there is a problem in agriculture. One thing members opposite had better learn is that the farmers are not fleecing the country; they are feeding the country. Let us face up to that fact. The hon. member who was trying to be funny a few moments ago had better remember a few things. Farmers are not farming because they want to be generous. Every one of these farmers would like to live in the same kind of house the people of Toronto live in, but nobody seems to be worried about that aspect of farming. They are worried about the kind of houses that people in Toronto, Montreal and Ottawa live in, and they spend a great deal of time working on their problems.

Perhaps this worry is justified, Mr. Chairman, and that is fine. However, if you are living in a log shack I suppose that is fine too because people think you are doing so for the benefit of the country. This is supposed to be a just society. I say to you, Mr. Chairman, that it is about time the heehaws stopped on the Liberal side. The Indian communities have a just right to complain about what they are up against. They are not living in beautiful homes such as—

An hon. Member: Order, order.

Mr. Korchinski: Someone has said "order, order". I wish there were some order but there is no order in this just society. This minister right now—

[Mr. Olson.]

The Deputy Chairman: Order, please. There should be order in the committee, and I ask the hon. member to kindly come back to the consideration of clause 4.

Mr. Korchinski: I will gladly come back to the clause, Mr. Chairman. All I am suggesting at the moment is that if we do not consider the situation in which these people find themselves we might as well throw this whole bill out the window. If we are not at all concerned about the welfare of these people or bringing up their standard of living, I should like to ask the minister what is the purpose of this bill.

Mr. Olson: Let me assure my hon. friend that this is the purpose of the bill.

Mr. Korchinski: Those are nice words, but does the minister really believe what he says?

Mr. Olson: Yes, he does, Mr. Chairman.

Mr. Korchinski: I have to accept the minister's statement. The point is that in a few years' time when we see these huge United States corporations taking over all our land in Canada and a large number of people drifting away and we go with our hats in our hands to the minister, I am sure the minister will simply suggest that we wait. I asked the Prime Minister today whether consideration was being given to a moratorium on the interest rate, and he said no.

• (5:10 p.m.)

The Deputy Chairman: Order. For the second time I would ask the hon. member to restrict his remarks to clause 4 of the bill, which we are discussing at the moment.

Mr. Korchinski: Mr. Chairman, I do not think I have to say very much more. I believe the minister has already got the message. The minister is very well aware of what is happening in the farming industry. I may have been slightly off base in my remarks with regard to what is intended in the bill, and the Chairman has called me to order, but I did not intend to do this. However, this discussion gives me a forum to make my point. I believe the minister will accept the fact that we are quite prepared to go ahead with certain aspects of the legislation but we must point out certain matters to him. The minister has been bragging about the legislation and saying we are the only ones stopping if from being the salvation of the farmers.

We are quite prepared, as I say, to go ahead with certain aspects of the bill but

there are matters which have to be dealt with. The minister will be in real trouble in a few years' time when American corporations and others enter the agricultural field. I am sure the Minister of Agriculture really wants to be helpful in this regard but finds himself in a position where his hands are tied because he is trying to be too helpful to too many people at the same time. I do not think he wants to help the wrong people. I believe he is sincere about what he wants to do for agriculture.

Some hon. Members: Hear, hear.

Mr. Korchinski: I am glad to receive applause, Mr. Chairman. I think the minister knows what the problem is and I want to express it before anybody else does. But if he does not do anything to solve the problem I will be the first to criticize him. I say that he is doing nothing to prevent corporations entering the agricultural field and swallowing us up. This is a question which the minister has to consider seriously.

Mr. Schreyer: Mr. Chairman, I would ask the minister to focus his attention on lines 30 to 40 of clause 4 as they appear on page 3 of the bill. I ask the minister to visualize the following specific case. Let us say that a packinghouse company or a food processing company of some kind decides to set up a subsidiary operation and hires the services of a competent farm operator by allocating to him a share interest in the operation. Such a person would have the experience, ability and character necessary to impress the Farm Credit Corporation, and on the basis of his qualities and experience they would be prepared to make a loan. Does the minister not agree that in a circumstance such as this it would be not only conceivable but quite likely that a corporate enterprise of this kind, provided it engaged the services of a known and experienced farm operator, could very well qualify for a loan in so far as the provisions of this clause are concerned–

Mr. Olson: The fact is that all the clauses have a bearing in respect of making an application for a loan. In addition to the provision the hon. gentleman has outlined, such a person would also have to be the owner or would have to control the corporation through holding substantially more than a simple majority of the shares in the corporation, and indeed he would have to qualify under clause 1 of the bill as an individual whose principal occupation is farming. He would have to be in the corporate farming business himself. Therefore in the example the hon. gentleman has outlined I think a person trying to use the credit facilities of the Farm Credit Corporation would fail in many respects.

Clause agreed to.

On clause 5—*Interest.*

Mr. Horner: Mr. Chairman, clause 5 has been debated quite a bit already. We have attempted to induce the minister to give us some information with regard to the formula to be adopted in respect of the interest rate. The minister went part way today in dealing with this question.

Basically, there are three major parts to the bill: first, it will allow farming corporations to obtain loans; second, it will increase the interest rate by about 2 per cent on all government loans; and third, it will make provision for Indian bands to borrow money from the Farm Credit Corporation. I am really simplifying the bill but I think it can be broken down into those three important points. The interest rate that will be payable on these loans is the most important point.

The bill is basically a poor one and clause 5 does not improve it at all. The bill moves generally in the wrong direction. We have seen the report of the Economic Council of Canada. While I do not agree with their comparison of the agricultural industry in Canada with those of other countries, the report does point out that our agricultural industry needs to catch up and maintain pace with the United States, and to do this we must have a greater influx of capital at an interest rate the agricultural industry can afford.

We have tried to learn from the minister what rate of interest will be permissible under clause 5 of the bill. He said this afternoon that the formula would have to be flexible. He said earlier in the debate that it would be a prescribed rate. I gather from the minister's answer that it will be prescribed for six months and then adjusted in accordance with government borrowings, or prescribed for a year and adjusted to government borrowings. The minister has not told us how long a prescribed rate will be in effect. Will it fluctuate every month? Will it fluctuate with every borrowing of the Farm Credit Corporation from the Minister of Finance? The minister has not given us the answers to these questions.

In this regard one should study the borrowings of the Farm Credit Corporation. These are listed on page 24 of their annual report.

One can readily see that the corporation is making several borrowings a year from the Minister of Finance at varying rates of interest. Will the prescribed rate correspond with the borrowings from the Minister of Finance? The minister said this afternoon that it would not be more than 1 per cent higher than government borrowings. Then he said it would not be more than 1 per cent above the rate at which the corporation borrows from the Minister of Finance.

This raises a very interesting situation. During the debate on the Farm Improvement Loans Act the minister said he believed that the government guarantee to the banks was worth 1 per cent. He also led us to believe that the interest rate finally arrived at between the government and the banks under the Farm Improvement Loans Act would be 1 per cent or not more than 1 per cent above government borrowings. If I am wrong, the minister can correct me.

• (5:20 p.m.)

Let us take the figure the minister gave this afternoon, namely, that the last corporation borrowing from the Minister of Finance was at an interest rate of 6.75 per cent. In fact the report has it listed as 6.8 per cent, but it does not really matter. One per cent above that would be 7.25 per cent, nearly 3 percentage points above the rate at which the Farm Credit Corporation is operating today when lending money to farmers. This is what we are debating today.

Can the agricultural industry absorb a 3 per cent hike in interest rates by the Farm Credit Corporation? The danger is that this bill will simply make tenants out of farmers who borrow from the corporation. Everyone knows that people who borrow money on a long term basis are often fortunate if they can repay the interest on what they borrow, let alone part of the capital. We must be careful about passing this clause because by supporting an interest rate close to 8 per cent we may be making tenant farmers out of everyone who borrows from the corporation. It is true that some believe farmers should just rent their land anyway and never pay for it. The former minister of agriculture from Alberta suggested this in one of his speeches. He suggested that the Farm Credit Corporation might own the land and that the farmers should pay so much every year for it—in essence, a rental. On this basis the land would pass from father to son.

[Mr. Horner.]

I still believe that farmers want to own their land. There is a greater sense of security and well being attached to owning a farm rather than renting it on whatever basis. We must be very careful about passing clause 5 and approving an interest rate which might prevent farmers paying back anything more than the interest on their loans. The industry faces increasing competition from synthetics. But despite fierce competition on every side, $1.5 billion worth of our exports are produced by agriculture. Agriculture is a major part of our economy and parliament has to create a climate in which it can survive. The amount of the interest rate of farm credit loans will signify whether the government really believes in the industry, really believes it is a necessary part of this country.

Hon. gentlemen opposite have said that the government guarantee to the banks is worth 1 per cent. They have said that the interest rate on farm improvement loans from the banks will be 1 per cent above the rate at which the government borrows. This could well result in bank loans to farmers being made at a lower rate of interest than the corporation is offering.

I believe the *Financial Post* stated last week that in the course of the coming year the government would be borrowing to the extent of $2 billion and was prepared to pay as high as 6.75 per cent for the money. Over a billion dollars worth of government bonds have just been issued at the highest interest rate ever recorded. Even if we agree to the minister's prescribed rate, it will still be a fluctuating rate. With the government continuing to squander our money hither and yon, interest rates are bound to increase, as the article in the *Financial Post* suggested, and new borrowings will be made at an interest rate of something like 6.75 per cent. In fact, interest rates generally have gone up since the budget. Some may say: 7 per cent is not a bad interest rate, considering the times. But if we pass this clause we shall place farmers in a position where they will have to face escalating interest rates periodically while no corresponding increase is apparent in the prices of the products they are selling. The farmer has only two courses open to him. Either he can go out of business or he can try to increase the size and efficiency of his operation hoping to stay ahead in the struggle to meet expenses and repay the loans he has taken out.

Having this dangerous situation in mind, I propose to move an amendment to clause 5. My amendment will spell out the rate of

interest by providing that loans made to individual farmers should be at the rate of 5 per cent. Loans of amounts greater than $40,000 may be made at such prescribed rates as the minister may wish to approve. I put this forward because I am concerned about the lack of any fundamental base for interest rates today. Even in the last two weeks interest rates on government borrowings have gone up by something like .2 per cent and are continuing to climb as the government wastes money.

Under the arrangements as they stand today there are in effect two interest rates with which borrowers from the Farm Credit Corporation are concerned. There is the 5 per cent rate to the individual borrower who borrows less than $27,500 and the rate offered to those who borrow more than that, which is 1 per cent above the rate at which the corporation itself borrows from the Minister of Finance. In the farm syndicate legislation provision is made for another rate which is 1 per cent above the rate at which the corporation borrows from the minister.

Thus we find in the present legislation two interest rates. Eighty per cent of the loans made by the Farm Credit Corporation have been made at the 5 per cent rate. And over 50 per cent of the corporation's loans have been made in connection with the purchase of land. I firmly believe that farmers today still want to own their own land. For all the reasons I have outlined I move:

That in line 6 on page 4 in clause 5 the following be substituted after the word "rate":

Not more than 5 per cent where the amount of the loan does not exceed $40,000. For loans above this amount, at rates prescribed by the Governor in Council.

• (5:30 p.m.)

I put in a limit of $40,000 because, as I understand the bill, this is all a family farm or an individual can borrow. Corporate enterprises and other people may be eligible under this act for greater loans, perhaps at a higher rate of interest. The minister suggested that corporate entities would likely be more efficient and have more things going for them. This may or may not be the case. I certainly do not want to agree with him at this time. I do want to say that under the act as it is now there are two rates of interest, the lower rate being for the individual who borrows a limited amount of money, and this amendment sets up the same criteria that were in effect. I move that amendment, Mr. Chairman.

Mr. Burton: In taking a look at clause 5 of Bill C-110 I think we have to examine it very closely because of the impact of the changes proposed on the farmers of Canada and on the agricultural industry as a whole. We should examine what changes it does make. The provisions now in effect provide for 5 per cent interest on loans up to $20,000 under part II and 5 per cent on loans up to $27,500 under part III. Above these amounts, of course, the rates are prescribed by the governor in council. The new clause gives to the governor in council the power to set rates. It gives him a blanket authority to set the rates that will be applicable to loans made under the Farm Credit Act. I believe it has been admitted that this will mean higher interest rates to the farmers.

Briefly, Mr. Chairman, I should like to take a look at some of the alternatives that are available to us. One step we might take would be to leave the interest rate structure as it is now or with some modification such as has been proposed in the amendment just moved by the hon. member for Crowfoot.

I can recognize that there are some administrative problems in the present arrangement with regard to the differences in the rates at which money is borrowed by the government and transferred to the Farm Credit Corporation and the interest rates that apply to money lent to farmers for agricultural purposes. It seems to me that this is a problem that could be overcome without having to upset the entire structure as we have known it up to the present time. The legislation, of course, proposes to take away from parliament the right to prescribe what interest rates shall apply to farm loans.

I think we should examine some of the implications involved. First of all, we should take a look at the cost of this change to the agricultural industry and to the farmers. The ultimate cost, if we take the entire amount of money that could be lent by the Farm Credit Corporation, could conceivably at some point in time reach as high as $14 million per year for every 1 per cent the interest rate is above 5 per cent. This, of course, would have to be modified by the fact there are existing loans at the 5 per cent rate and also by other factors as well. I think we could reasonably conclude that in time this change in the interest rate structure could quite likely cost the farmers approximately $50 million in extra interest charges on farm loans.

The essential point being advocated by those of us who are opposed to increasing the

level of interest rates is that we are proposing that the principle of subsidization of the industry should be applied. This is really what would be involved in leaving the basic interest rate structure as it is. So far as I am concerned, I do not automatically advocate or approve subsidization simply because it may be of some benefit to an industry or a sector of the economy in which I or some other people may be interested. It seems to me a rational case does have to be established in favour of such subsidization.

Various approaches are used, of course, in deciding whether or not a rational case is established or can be established. One obvious approach would be to use what might be termed a cost-benefit analysis. In other words, this really means that if the benefits achieved through subsidization are greater than the cost involved to the country, then the justification is apparent. This method could then be readily approved and adopted by parliament.

I am sure the minister is fully aware of the reaction of farm organizations to the proposed change in the interest rate structure. I am really quite disappointed that the government has been unresponsive to the representations of farm organizations, nor has it provided an adequate opportunity for farm organizations to make their point of view known. I should like to refer to a communication sent by the National Farmers Union to the Minister of Agriculture some time ago and place some portions of it on the record. Mr. Roy Atkinson, president of the National Farmers Union, writing to the Minister of Agriculture on October 8, stated:

We are further concerned by the proposals under section 16A—

This is the clause now under consideration.

—which free interest rates permitting these to be prescribed by the governor in council. This, in effect, removes the ceiling on interest rates on farm loans.

Credit has become an almost indispensable need for farmers. Rising interest rates for Canadian farmers are therefore a serious factor. Canadian farmers cannot afford the present high rates of interest demanded by private lenders on the basis of the present demoralizing level of farm prices. While this, in itself, is of growing concern, it is particularly serious for our younger farmers. The dilemma in the present situation, of course, has been that banking institutions have not made available to farmers the 5 per cent credit and as a consequence they have become more vulnerable to the scalping rates of private finance companies.

The proposed amendments will certainly result in higher rates under the publicly-sponsored farm financing programs and in this sense legitimatize high interest rates for farmers. The consequence of this cost increasing factor, we feel, will serve to make farmers less competitive in the world markets and less competitive with those corporations which now threaten the livehihood of farmers through a growing trend toward vertical integration of food production. As a consequence, if interest rates are freed, we reiterate our request that your government subsidize the interest rates over 5 per cent under the Farm Credit Act and the Farm Improvement Loans Act until such time as the money supply on the market will again make it possible for farmers to acquire their financial needs at the 5 per cent rate, and/or until such time as farmers receive adequate prices from the sale of farm produce.

[Mr. Burton.]

• (5:40 p.m.)

Then the letter concludes by urging the minister to give earliest consideration to the matters raised.

This is one representation that has been made to the minister and I am sure others have been made as well. Certainly representations have been made to me as one member of the house on the subject of interest rates. I feel that the government should be more responsive to the urgent pleadings of farmers and farm organizations on the question of interest rates.

I should like to outline briefly some of the reasons for the approach that is being suggested on this side of the house. First of all, I think we have to examine the structure and fabric of the agricultural industry and note that this structure and fabric are in jeopardy. It is not a case of the old being replaced by a new, more positive and useful type of social and economic structure. What we are really witnessing is the disintegration of our rural society and our rural economy in Canada.

I suggest, that this will have very serious effects on all parts of the Canadian economy and on each and every person in Canada. This is evidenced in part by the reduction in the number of farmers across Canada, a fact well known to all members. This reduction in the number of farmers is in part due to the liquidation of uneconomic farm units, but it is also in part due to the impact of mechanization and technology. I suggest that at least part of the liquidation of farm units which has taken place in Canada over the past number of years has resulted from the needless waste of both social and economic resources in this country. In fact, as a result of serious negligence on the part of those responsible for public policy in this country we have been unable to find a more adequate program to deal with the problems facing our agricultural industry. At the same time may I make it quite clear that I feel that the Farm Credit

Corporation, in conducting its operations, has made a useful contribution and has helped to prevent the problem from becoming even more serious than it is today.

I suggest that we need an agricultural industry that is capable of adjusting to changing conditions. At the present time the agricultural industry has great difficulty in accomplishing this objective. I suggest that it will have even greater difficulty in doing so if it is saddled with higher interest rates than those now in effect. The agricultural industry has been confronted with static and unreliable prices and price levels. At the same time it has had to meet steadily increasing costs which have risen some 4 to 5 per cent per year. The net result of this has been that the level of return to farmers has been insufficient and will not enable them to carry the higher interest rates that are now being proposed. The result of the present cost-price squeeze is obvious to all hon. members, and I think should be a matter of serious concern to all of us.

Reference has already been made to the need for greater capitalization in our agricultural industry. The Economic Council of Canada pointed this out quite clearly in its recent report wherein it noted, in the first place, that a major portion of the increase in agricultural productivity over recent years is attributable to increased capital and materials inputs. That is noted at page 98 of the most recent annual review of the Economic Council of Canada. At page 101 of the review, the Economic Council of Canada points out:

> We believe that a high rate of future productivity growth in agriculture is necessary for the long term growth of farm incomes in Canada.

Here, Mr. Chairman, I suggest that policy with respect to capital and the ease of entry of capital into the agricultural industry is an essential requirement. It seems to me that the retention of the present interest rate structure, or at least the essentials of it, would encourage further capitalization in the agricultural industry.

I cannot really quarrel with the present basic concept of the interest rate structure applying to Farm Credit Corporation loans. This provides for a fixed level of interest rates for a basic amount of capital, at present $20,000 for part II loans and $27,500 for part III loans. As has been indicated by the nature of the amendment just moved, this set of figures is not necessarily fixed; it can be varied depending on current situations. However, it seems to me that it does ensure that a basic amount of capital is available to each farm unit, sufficient to enable it to carry the debt load that many farmers have to face. Once this basic capital requirement has been assured, then the farmer is in a better position to handle whatever higher interest rates may apply in the economy from time to time.

I urge the minister to reconsider his stand with respect to this clause. I also urge the government, while time still remains, to find a solution to some of the problems facing our agricultural industry, to take advantage of that time and to change the stand it is now taking in the house.

According to answers to questions provided by the Minister of Agriculture in the house, the report of the special task force which was set up will be presented in the very near future. I would urge that consideration be given to maintaining the present interest rate structure until we are able to review the agricultural situation in the light of the report of the task force. This would enable us to examine the entire operation of the agricultural industry.

I also noted in an answer to a question given a little earlier this afternoon that the minister said that the extra capital that would be available to the Farm Credit Corporation as a result of the amendments contained in this bill will be sufficient to meet the financial requirements of the corporation for some two and half to three years. This is not too long a period of time to continue to maintain the present interest rate policy.

For all of these reasons, Mr. Chairman, I hope that clause 5 as now set out in the bill will be rejected and that we will maintain the present basic interest rate structure either in the form in which it is now or as proposed in the amendment that has just been moved.

The Deputy Chairman: Order. The Chair has some doubt about the validity of the proposed amendment of the hon. member for Crowfoot for this reason: It seems to the Chair, having read the resolution which is to be found in *Votes and Proceedings* for October 1, 1968, that the amendment would amount to a new proposal. If there is any doubt about the matter perhaps it might be best to leave the decision to the committee.

• (5:50 p.m.)

Mr. Horner: Mr. Chairman, what was the date of *Votes and Proceedings* to which you referred?

The Deputy Chairman: October 1, 1968, page 87.

Mr. Southam: Mr. Chairman, at this time I have no alternative but to say a few words in support of the amendment the hon. member for Crowfoot presented to the committee this afternoon.

Mr. McIlraith: It is out of order.

An hon. Member: It is not.

Mr. Olson: In addition to the point that you raised, Mr. Chairman, I want to say that the amendment goes beyond the terms of the resolution. I therefore doubt that the wording of the amendment is legal. However, I have no objection to taking the sense of the committee and having the matter voted on.

The Deputy Chairman: Is the committee ready for the question?

Amendment (Mr. Horner) negatived: Yeas, 34; nays, 61.

The Deputy Chairman: I declare the amendment lost. Shall clause 5 carry?

Mr. Southam: As I said a few moments ago, Mr. Chairman, I have no alternative but to make a few remarks on this clause of Bill C-110. I support the remarks of my colleagues. Their position is supported by ample evidence. As has been said on numerous occasions in this house, credit is a commodity. Since this bill has to do with interest rates, its present provisions ask us to buy a pig in a poke.

When anyone wants credit he goes to the marketplace to obtain it. When the farmer wants to borrow money he must pay interest on it. For that reason we ought to have something concrete in the bill; otherwise there is too much ambiguity. There is too much of a question mark in the minds of those engaged in agriculture in this country for them to be satisfied with this measure.

The previous speaker referred to the views of a leading farm organization of western Canada on this matter. The hon. members for Crowfoot, Essex-Kent and Mackenzie have put their attitudes very ably to the minister. He knows what they think about this legislation. I am obtaining a feed-back from the riding I represent, a dairy and agricultural district of western Canada. There are many small farmers in my area. The name of the riding, Qu'Appelle-Moose Mountain, suggests rivers, creeks and a broken-up terrain which is conducive to farming on a small scale.

[Mr. Horner.]

Farmers in such areas eke out a living, as do the farmers represented by the hon. member for Mackenzie. All our farmers must have credit at reasonable rates.

The difficulties of our farmers have been particularly aggravated in the last year or two by the lapsing of the international wheat agreement. Their income has been reduced. In the last few months money under the Farm Improvement Loans Act has not been available and farmers seeking to borrow money in the marketplace have had to pay exorbitant rates of interest of 10 or 12 per cent. Naturally I support other opposition members in their attitude that we must have some type of formula governing the interest rates. We have a right to it.

The minister's philosophy with regard to this farm legislation will make the big farmer bigger and the small farmer smaller. Ultimately small farmers will be squeezed out. The minister's attitude is summed up by a sentence from the Bible to this effect: To him that hath shall be given and from him that hath not shall be taken away even that which he hath.

I was disturbed and annoyed to hear the minister's suggestion while out west recently, that some members were blocking passage of the farm legislation. He referred to the hon. member for Crowfoot. The suggestion was that he and others in his party were filibustering and obstructing this legislation. Let me say at once that our remarks express the feelings of western farmers on the subject. When we place on the record our strong objection to buying this pig in a poke we are expressing the feelings of our constituents. Some of the minister's references seemed to be flamboyant and even facetious, and it was not fair of him to take that attitude. He himself is a farmer from western Canada and he knows how strongly the farmers object.

Again I suggest that the minister ought to reconsider this matter and arrive at a definite formula regarding interest rates along the lines proposed a few moments ago by the hon. member for Crowfoot. Unfortunately his amendment was defeated in committee.

The Deputy Chairman: Order, please. To permit the house to proceed to the consideration of private members' business, in accordance with section 3 of standing order 15 it is my duty to leave the chair.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty, pursuant to provisional order 39A, to inform the house that the question to be raised at the time of adjournment tonight is as follows: the hon. member for Frontenac (Mr. Dumont)—Inquiry as to Nigeria.

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

[*English*]

PRIVATE BILL

LONDON AND MIDLAND GENERAL INSURANCE COMPANY

The house in committee on Bill No. C-101, respecting London and Midland General Insurance Company—Mr. Lind—Mr. Béchard in the chair.

• (6:00 p.m.)

On clause 1—*Change of name.*

Mr. Schreyer: Ostensibly the purpose of the bill, Mr. Chairman, is to allow the insurance company in question to undergo a change of name. On the surface that would seem to be simple and harmless enough but the question should be asked why it is that important and necessary to have a change in name as to warrant bringing a private bill before parliament.

From the evidence of the parliamentary agent for this company one is given to understand that the company would like a change of name because a similar name is used by other insurance companies elsewhere. So it seeks to change its name to Avco General Insurance Company. But one finds that other corporations exist in the United States with names very similar to that and so the picture is left quite confusing.

I suspect that the sponsors of the bill feel that a change of name would result in an improvement in the corporation's image. Therefore with that improvement the company, hopefully, would be able to be more successful in selling insurance policies to Canadian policyholders and as a result would have more money for investment in various industrial corporate securities, with the further result of an increase in profits redounding to the benefit of the company and its shareholders. That kind of reasoning is logical but at a time like this the question should be asked, what good purpose is served by this bill? In fact, what good purpose is served by the very existence of this particular insurance company?

This company is a Canadian subsidiary of an American parent firm which we are told is a corporation engaged in conglomerate ownership and management, a phenomenon that has been on the increase in the United States during the present decade. Admittedly if a corporation takes on a conglomerate form it begins to enjoy greater size and with it greater financial strength and durability against the exigencies of the economy. It is supposed to be able to withstand better the business cycles that we experience in our North American economy. There is nothing particularly wrong with that, but on repeated occasions over the past few years hon. members of this house have questioned the degree of usefulness of subsidiaries of foreign corporations that are allowed to operate in Canada.

If the existence of a subsidiary of a foreign parent meant there would be more capital coming into Canada for industrial development, there would be a point. But in this case it seems quite clear that the company in question, like other insurance companies, is merely taking investable funds or capital from persons through the sale of policies and then using that capital for investment as the management of the insurance company sees fit. In this respect it is in a sense a rather sterile operation.

This particular insurance company will be competing with other insurance companies, some of them wholly or in large part owned by Canadian shareholders. It will be competing for investable funds. It will be preempting other insurance companies and industrial corporations from securing more investment capital from the same people, that is to say, the Canadian public.

From the evidence that was given to the committee about a week ago, I understand this insurance company invests about 75 per cent of its investable funds, money on deposit with it, in Canadian industrial enterprises and the remaining 25 per cent in American industrial enterprises. In other words, 25 per

cent of the money it raises from Canadian policyholders does not go into investment for the economic, social and industrial development of our country. By decision of the management of the London and Midland General Insurance Company, 25 per cent of its investment funds flow out of Canada. I do not think that a change in name, if we consent to it, will make a substantial difference. In fact I fail to see what difference it can make.

Here is an opportunity to voice dissatisfaction with the practice whereby out of every $100,000 which this insurance company raises from the pocketbooks of Canadian policyholders 25 per cent goes outside our country for investment elsewhere and as such makes a zero contribution to the industrial development of our country. We talk about the scarcity and inadequacy of capital for development purposes in Canada. Small wonder that there is that scarcity when a leakage of this size is to be seen in the operations of only one company. Multiply this by the number of other insurance companies and mutual funds in Canada, almost all of which have a tendency to allow a fairly large leakage of Canadian investment funds into foreign markets, into the purchase of foreign securities and into the share capital of foreign enterprises, and one can see one of the reasons why we have a problem of inadequate amounts of capital for our own industrial development.

One hon. member of the standing committee on finance trade and economic affairs which examined this bill was able to bring out by questioning representatives of this company the fact that through the operations of the parent firm the company is able to invest in a great diversity of industry. But the question was never asked as to what extent the 75 per cent of its investable funds which we are told is invested in Canada goes into a particular industrial sector related to this insurance company through interlocking directorships, through affiliation of interests or which, in fact, are member companies of the same conglomerate parent. If there is any significant amount invested by the parent company—

• (6:10 p.m.)

The Deputy Chairman: Order. I think at this moment it is important that I bring to the attention of the hon. member and other members of the committee that the sole purpose of this bill is to change the name of the insurance company to Avco Insurance Company and in French to L'Avco, Compagnie d'Assurance Générale. I believe the hon. member has departed from the subject of the bill. I would very kindly ask him to restrict his remarks to the matter of the change of name.

Mr. Schreyer: May I submit to you, sir, that if the representatives of this insurance company come before parliament asking for a change of name they must have some purpose in mind. Earlier in my remarks I suggested that the purpose they have in mind must be to improve either the operation of the company or change its image. If it is to improve the image then I suggest this means that the insurance company will be selling more policies. If it sells more policies then it will be receiving more investable Canadian funds. If it receives more Canadian investable funds then I believe this is a matter which should be discussed in parliament because this company is a subsidiary of a United States parent and a member of the conglomerate whole which would be attracting more capital from the Canadian public.

The Deputy Chairman: I think it is desirable that we discuss the change of name. That is the only purpose of the bill. Again I ask the hon. member to restrict his remarks to the desirability or otherwise of changing the name.

Mr. Schreyer: Mr. Chairman, this insurance company is seeking to change its name, but we should ask ourselves what purpose or intent it has in mind in so doing. I submit to you that the insurance company must be seeking to improve its corporate image. If it is successful in this, then presumably it will be in a position to sell more insurance policies and thereby increase the amount of investment capital it is able to marshal. I suggest that if this insurance company does succeed in changing its name and thereby does get its hands on more investment capital, we must bear in mind that it would be investing outside this country at least 25 per cent of any increment of investment capital. This is a point which no one can escape.

The parliamentary agents for this insurance company have stated that 25 per cent of the investable funds which come into their possession go into investment outside the country. If there is any increase in the amount of investable funds this company is able to realize, there would be a proportionate increase of investment of Canadian money outside the country. We are told by our own ministers as well as by the economic experts that Canada has a shortage of investable

funds. That is a point which some of us from time to time like to contest. However, this is the information we are given by those who are supposed to be experts on the subject.

I make no apology whatsoever, Mr. Chairman, for referring to the fact that this insurance company is investing outside this country an amount of money which I suggest hon. members should find unacceptable. About a week ago we were told by Mr. Watkins, the former chairman of the royal commission on foreign ownership which completed its work about a year ago and handed down its report several months ago, that in Canada the subsidiaries of foreign parent companies were still not being effectively controlled by the public administration of the country.

Mr. Watkins went on to suggest that the so-called guide lines for good corporate citizenship by some firms operating in Canada leave a good deal to be desired. He said that the guide lines in respect of good corporate citizenship for a company such as this one are still a Boy Scout approach and that it is important there should be enforcement of more effective guide lines for the operations in this country of the subsidiaries of foreign parents.

Now we have before us Bill No. C-101 the effect of which will be to change the name of this insurance company. I believe it should be apparent to all hon. members what the hope of the board of directors and executive of this insurance company is in this regard. Why would they bother with a change of name unless they thought it would somehow help them sell insurance policies in this country? This is precisely what we should not want to see happen because we have enough insurance companies now.

In many ways we are being asked to indulge in a sterile operation here in discussing a bill to change the corporate title from one name to another. I do not believe it is just as simple as merely a change of name. The officials of this company must have something else in mind. If what they have in mind is that this will enable them to obtain a greater control of Canadian investable funds, then I am opposed to the bill. It is as simple as that, Mr. Chairman.

Mr. Ritchie: Mr. Chairman, I have followed the consideration of this bill in the standing committee. On behalf of hon. members on this side of the house may I say that we are satisfied that this change of name is justifiable in the interests of the company concerned.

London and Midland Insurance Company

Mr. Gilbert: Mr. Chairman, I notice that Bill No. C-101 is sponsored by the hon. member for Middlesex who I believe is a successful businessman in his own right. I notice also that it is seconded by the hon. member for Etobicoke, a new member of this house who also is a successful businessman in his own right. I see from the explanatory note that the sole purpose of the bill is to change the name of the company to Avco General Insurance Company and in French to L'Avco Compagnie d'Assurance Générale. I also read the proceedings before the finance committee and I note that the president of the company is H. P. Paterno, that the vice president and general manager is Ralph Green, that the solicitor of record is F. W. Rhodes and that the agent in Ottawa is David Alexandor.

• (6:20 p.m.)

If the purpose of this bill is simply to change the name of the company to Avco General Insurance company, it brings to mind that Shakespearean quotation:

> What's in a name? That which we call a rose
> By any other name would smell as sweet.

I notice that the London and Midland General Insurance Company was incorporated on July 17, 1947 under the name of the Progressive Insurance company. Only ten years later, in 1957, by application to this house the name was changed to London and Midland General Insurance company. To follow that chain of events we find that the Delta Acceptance Corporation of Canada was incorporated on March 26, 1954. In the month of July, 1962, Delta acquired the outstanding share capital of the London and Midland General Insurance Company.

Reading from the statement of the parliamentary agent, I note that the purpose of this bill is to obtain cohesion in respect of the different companies that Delta Acceptance Corporation of Canada controls. We must take the sequence back one step further. We find that Delta Acceptance Corporation is owned by a United States company, the Avco Corporation of New York. This is the parent company and Delta Acceptance Corporation is the Canadian subsidiary.

When one thinks of the name Delta Acceptance or even the name Avco one must consider the term "acceptance" as being a financial term with reference to a company that lends money to borrowers, in many cases at rather high interest rates, but nevertheless lending institutions. We do not think of them as being insurance institutions.

London and Midland Insurance Company

The thing that strikes me in respect of Bill No. C-101 is the massive holdings this Avco group has. When I read the statement by Mr. Alexandor as to the holdings this strikes me very forcibly. He said:

> In addition to London and Midland General Insurance Company the following companies are also subsidiaries of Avco Delta Corporation Canada Limited. Avco C.F.C. Limited which was formerly C.F.C. Finance Corporation Limited, Avco Delta Dominion Limited which was formerly Delta Acceptance Canada Limited, Avco Delta Quebec Limited, which was formerly called D.A.C. (Quebec) Ltd., Avco Finance Limited which was formerly The Crescent Finance Corporation Limited, Avco Highland Plan Limited, which was formerly called Highland Trail Plan Limited, Avco Delta Realty Limited, which was formerly Grand Prairie Investments Limited, Adanac General Insurance Company of Canada, Avco Delta Realty, Manitoba, Limited, which was formerly called the Northwest Mortgage and Finance Company Limited, Consolidated Finance Western Limited, Empire Acceptance Corporation Limited, General Finance Company Limited, Lorne Bruce Motors Limited and Waverly Finance Company Limited.

He ended by saying:

> This latter company is presently making application for a change of name to Avco Security Canada Limited.

Then he goes on to say that some of the companies are in the process of being wound up. I guess this is to fit in with the general impression of a cohesive approach taken in respect of the numerous holdings of Avco Acceptance Corporation of Canada.

The question was asked by one of the committee members:

> What does "Avco" stand for?

The parliamentary secretary then replied:

> It is an abbreviation of Aviation Companies and through the years has sort of dwindled down to Avco, an abbreviation then later adapted as the name for Avco Corporation of New York.

We find that Avco has taken a strange course. It started off as a group of aviation companies and as it developed it embraced finance companies, insurance companies and other companies. In fact, I would think that the word "Avco" led the hon. member for Etobicoke to ask what the nature of Avco's business was. That brought forth this reply from the president of the company who must be very well informed about it:

> Of course Avco Corporation, the parent company in New York, has become something along the lines that we now call a conglomerate to a very great extent, and the different types of manufacturing and business that it is in are very broad.

The word "conglomerate" is one we have been using quite frequently lately. I happen to be a lawyer by profession but I never got into the corporate field. I have never incorporated a company. Most of my practice was in respect of criminal law and court work, although I did a little estate work. The word "conglomerate" strikes me very forcibly. The hon. member for Etobicoke, having wide experience in business, is probably familiar with it.

I understand there are different types of conglomerate institutions. There is a vertical type and a horizontal type. Quite frankly I am at a loss to determine whether this is a vertical or horizontal conglomerate. It has always been my understanding that a vertical conglomerate is one where you have a single business and you build on that business by acquiring the interests of other companies and thereby erect a pyramid of companies in a vertical way. This company appears to be a horizontal conglomerate. I am sure the hon. member for Etobicoke was surprised when he asked what this company participates in because he was given the answer that it spreads itself horizontally and has manufacturing companies, aviation companies, finance companies and insurance companies. It strikes me we should all be aware that this company is a conglomerate in the horizontal sense.

The parliamentary agent said in his answer to the hon. member for Etobicoke:

> It starts with engines and airplane parts for both military and the new air bus and things of that nature, to research and development—quite extensively research and development—including the mechanical heart.

• (6:30 p.m.)

That is a very interesting observation. We are talking about the mechanical heart being developed by an insurance company that is now seeking to change its name. It operates in a wide variety of fields, including the manufacture of mechanical hearts. The president of the company continues:

> One of our Avco research and development groups did the second heart transplant in the United States and in the world. It is also involved in ordnance, appliances, broadcasting.
>
> In research it has the great piece of the re-entry vehicle which, incidentally, splashed down today. Part of that is part of Avco's research and development group. And of course it has very extensive financial holdings in such things as the Credit Card Company and Carte Blanche, savings and loan companies, the Avco-Delta group, which is 40 per cent in Canada and 60 per cent in the United States and which encompasses small loan companies, several life companies in the United States, automobile finance companies, home improvement finance companies and all related companies in the financial area.

The next paragraph is a very important one for myself, being a Torontonian, because it says:

> In addition it owns Moffats, a manufacturer of appliances very heavily engaged in commercial appliances for apartment houses and commercial kitchens in Canada.

I always thought that Moffat was a privately owned company, that the Moffat family had started the company and developed it to a stage where it has become today one of the better known companies in the appliance manufacturing field. It came as a complete surprise to me to learn that the Moffats are no longer the owners of this company and that an American owned company owns that company in Canada.

As a Torontonian, and having friends who at one time worked at Moffat's, it came as a great surprise to learn that a Canadian company had developed to this extent and an American group had now taken it over and it is part of that group. Then the president of the company said:

> It is also engaged in and owns Avco New Idea Farm Equipment Co., which manufactures farm equipment at Coldwater, Ohio, and Fort Dodge, and has a system of distributorships and dealers throughout Canada as well as the United States.

He continued by saying:

> The financial area is pretty much under the Avco-Delta group of companies. The only casualty insurance company that Avco owns is London and Midland General Insurance Company at the present time.

So you can see the picture. Here you have a company, Avco, that started in the aeroplane field and then spread its tentacles into the different areas of business. It has gone into research and is developing the mechanical heart. It has gone into manufacturing and financial fields. This is its first penetration into the insurance field because, as was said before the committee, this is the first insurance company the Avco group has owned—and the words to be underlined are "at the present time." Hon. members can see why one would have a very genuine interest in investigating the name Avco, because of its origin in the United States, its incorporation in Canada and its wide holdings in the different areas of business.

This brings me to the point raised by the hon. member for Selkirk in his opening remarks. The hon. member asked what was the usefulness of this company, as set forth in Bill C-101. Here you have a company that has proliferated in many fields. In the insurance field it has acquired the savings of Canadians, and according to the statement made before the finance committee it invests 75 per cent of these savings in Canada and 25 per cent in other countries.

One does not like to be nationalistic in the sense that we should confine everything to Canada and close our borders to any penetration from outside, because we do welcome capital. It has been said many times that Canada was first built on English capital and is now being built on United States capital. It strikes me as strange that an American company would set up a subsidiary in Canada and then send back 25 per cent of the savings of Canadians to be invested in the United States.

When one looks at the economic picture he realizes that there is a very small amount of money exchanged in the inflow and outflow of capital between the United States and Canada. When I hear the Minister of Finance bemoan the fact that we are going to have next year an estimated deficit of $800 million, I feel it imposes upon me a duty to determine whether this and other companies should be permitted to send some of the savings of Canadian people across the border for investment. This is why I have stood in my place and asked these questions with regard to Avco; I do not like the trend. The question may be asked: What's in a name? This really brings forth the question: What is the purpose of this company changing the name London and Midland General Insurance Company to Avco General Insurance Company?

The parliamentary agent told the committee that the name London was a local name. It has the same name as the constituency represented by the sponsor of Bill C-101, because London is in the county of Middlesex. It is said that perhaps the name is a little too local and they want to make it Canadian in the full sense; they want to spread it right across Canada. It is also said that there has been a very unfortunate experience with regard to similar insurance companies in England, which have suffered bankruptcy or insolvency, and they do not want to be tagged with this terrible name "London". However, Mr. Chairman, I would think they would be rather proud to have the name "London". London happens to be the capital of England. London is the seat of parliament; this is where democracy has developed. I would think one would be very proud to use the name "London"; but this is not the case with reference to Bill C-101. I very strongly register my protest with regard to

the change of name from London and Midland General Insurance Company to Avco General Insurance Company.

• (6:40 p.m.)

[*Translation*]

Mr. Matte: Mr. Chairman, I support my colleagues who tried earlier to find out the true reasons why this company is asking to change its name. Even if at first sight that does not seem very important, it remains that we must think of all the possible implications of such a change.

I would not like to stretch out my remarks on that matter—either vertically or horizontally—but allow me to stress a few points. The changes in the names of companies which are quite numerous have a special meaning in Quebec. It often happens that a company changes its name simply to give the people of Quebec a better impression.

I wonder whether that might not be one of the reasons which prompts the company to change its name, because almost one third of its investments come from the Quebec population. Yet the name *London et Midland* does not sound very well to the ears of Quebecers.

Is that not a way of trying sometimes—I am not accusing the company of doing so—to draw the sympathy of the majority of the people under false representations?

It might also be advisable to mention another fact related to that one. Many such insurance companies, while receiving a great deal of money from the province of Quebec, invest almost nothing there. Many Quebec people are not too well informed, and as soon as a company uses a name which, at first glance, seems logical, it is encouraged only for that reason, forgetting that the money thus paid to that company never comes back to the area. It was just said—

Mr. Fortin: Mr. Chairman, I rise on a point of order.

The Deputy Chairman: The honourable member for Lotbinière on a point of order.

Mr. Fortin: Mr. Chairman, I rise on a point of order and I wish to direct your attention to the fact that there is not a quorum in the house at this time. I am surprised, in view of the fact that there are 263 members.

[*English*]

The Deputy Chairman: I have to draw the attention of the committee to citation 60 of Beauchesne in connection with the point of order raised by the hon. member for Lotbinière.

[*Translation*]

Any member may direct the Speaker's attention to the fact that there is not a quorum present. The Speaker will proceed at once to count the House, and if there are not twenty members present, including himself, the Clerk will take down the names, and the Speaker will then adjourn the House without question first put until the usual hour on the next sitting day.

Therefore, I ask the Clerk of the House to count the house.

[*English*]

And there being only 18 members present, including the Chairman, the Chairman reported accordingly to the Speaker.

Mr. Speaker: According to citation 60 (2) of Beauchesne's fourth edition with which hon. members are familiar, it is now the duty of the Chair, in view of the report made by the chairman of the committee, to proceed with a count of hon. members now present in the house.

And on the count being made, 20 members were declared to be present.

• (6:50 p.m.)

Mr. Speaker: There being a quorum in the house, we will now resume in committee.

And the house having resumed in committee:

[*Translation*]

Mr. Matte: Mr. Chairman, I should like to conclude my remarks by saying that we must be concerned and find out the true reasons, which prompt the said company to change its name.

In my opinion, the reasons mentioned are valid but it should not be possible to continuously change names without any serious reasons.

[*English*]

Mr. Peters: I should like to say, Mr. Chairman, that I am glad to see the influx of members for the discussion of this bill. The process of changing the name of a company by means of a parliamentary bill, Mr. Chairman, has been considered by yourself and others to be a very simple matter. However, I believe that a great deal must be at stake before a company would go through the various procedures in parliament in order to change its name. In so far as an individual applying for a change of name is concerned, I

would think there would be good reasons for changing the name. One reason might be the inability of one's friends or acquaintances to pronounce the name. In other cases, perhaps, the name would be undesirable socially or in some other sense.

You may or may not be a lawyer, Mr. Chairman, I do not know. I am sure if you are you will probably realize that if changing the name of a company were as small a matter as some seem to think, it would be done by means of letters patent. We have been able to divert some of these requests for name changes into the responsible department, so that they can be done by letters patent.

This particular company, however, has come before parliament for this purpose over a period of several years. I note that in the report to the committee the company says it desires the change in name because the name is the same as the London and Midland Insurance Company in England, and that company had gone into bankruptcy. This may be a factor. This fact certainly has not had much effect on the company because the London and Midland has been before us for some time, and when it first came before us it indicated there was a deficit in the surplus account. Not being a mathematician, I am not sure what a deficit in the surplus means. However, I suppose it means there was less money there than there was supposed to be. There was an indication the deficit was in excess of a million dollars. When anyone talks about a million dollars, he must be serious.

Since that time, and during this period when the company was trying to change its name, they were able to reduce the deficit from a million dollars to $53,000. I congratulate them on their ability to do that. The company also gave the impression the change of name was desired because there were a lot of companies in the insurance business with similar names. I have looked through the list of companies and there are, in fact, only about four with somewhat the same name.

I found the London and Lancashire, which is not quite the same. Then there is the London and Canada, and that is the extent of names similar to this company registered with the department of insurance. I suggest the reason for requesting a change is not because of duplication of names, but that there is a much more important matter involved. Members of parliament have a duty to ascertain that reason. I was impressed by a remark made by the previous speaker who, speaking on behalf of his party, said he saw nothing wrong with the company. I am sure he does not see anything wrong because I do not think he has looked. I do not believe he has considered why the name is being changed and I am not sure he would be concerned if he did look. I think we, as members, have an obligation to look at it.

I think on another occasion, it will be very interesting to discuss the number of subsidiary companies connected with this company.

The Deputy Chairman: Order. It being seven o'clock, it is my duty to rise, report progress and ask leave to sit again at the next sitting of the house.

Progress reported.

FARM CREDIT ACT

AMENDMENT RESPECTING ELIGIBLE CLASSES, AMOUNT OF CAPITAL, INTEREST RATES, ETC.

The house resumed consideration in committee of Bill No. C-110, to amend the Farm Credit Act—Mr. Olson—Mr. Béchard in the chair.

The Deputy Chairman: It being seven o'clock, I now leave the chair until eight o'clock pursuant to standing order 6, section 2.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House again in committee of the whole on Bill No. C-110, an act to amend the Farm Credit Act.

On clause 5—*Interest.*

The Chairman: Shall clause 5 carry?

Mr. Danforth: Mr. Chairman, now that the amendment we proposed to clause 5 has been defeated, I am wondering whether the minister would be inclined either to propose an amendment himself or to accept one, similarly based on the provisions of the bill, as a result of which young men who are just starting farming operations, or farmers applying for their first loan, would be charged an interest rate of 5 per cent for at least a portion of the loan that the minister in his wisdom, in consultation with the corporation, may decide. I suggest a figure of $10,000 or $20,000 should be lent at that rate of interest.

This would provide a definite advantage to young men with farming experience who expressed the determination to engage in the business of farming. We are all interested in finding ways and means of keeping our younger people on the farm, especially those with technical training in farming who are expressing a sincere desire to remain in that calling.

I realize we have voted on the amendment that was proposed, but I am wondering whether the minister is inclined to consider such a proposal at this time.

Mr. Olson: Mr. Chairman, I should like to advise the hon. member that the rate proposed in clause 5, which amends section 16A, is a prescribed rate and may not necessarily be a high rate. The rate will be determined from time to time by the governor in council. The undertaking that I gave hon. gentlemen opposite, particularly the hon. member for Crowfoot, was that it would not be more than 1 per cent higher than the cost of the money to the corporation.

If this amendment to the act proposed in clause 5 is passed, Mr. Chairman, then in the future when budgetary considerations are not so stringent there will be this latitude and flexibility. It would be open to the governor in council to prescribe a rate that is somewhat lower than 1 per cent more than the cost of the money to the corporation. I suggest to hon. gentlemen opposite that this proposal leaves that option open, instead of spelling out the rate as an economic rate, as has been the case in the past in regard to certain operations of the Farm Credit Corporation.

An economic rate, Mr. Chairman, is by definition a rate that is sufficiently high to recover all costs; that is to say, the cost of the money, plus the cost of administration and a reasonable reserve for losses. With a prescribed rate the governor in council is not under the obligation to recover all costs. Indeed, any time the government feels that it would be not only desirable but expedient to do so, the governor in council may prescribe a rate that is substantially below a rate which would be 1 per cent above the cost of the money to the corporation.

Hon. gentlemen will also realize that arguments have been advanced during the course of debate on this bill that indicate it is not entirely advantageous to the farming community to have low rates of interest. The hon. member for Saskatoon-Biggar and several other members opposite have argued that availability of funds almost automatically inflates the price of land.

Mr. Gleave: Mr. Chairman, I would ask the minister to show me in *Hansard* where I made such a statement. On a point of order, I believe the minister is right when he says this statement was made by somebody, but it was not made by me.

Mr. Horner: It was made by me and by the present Minister of Agriculture.

Mr. Olson: If the hon. member for Saskatoon-Biggar says he did not make the statement, then I accept that. But I do know I have heard it said many times from that direction.

Mr. Horner: That is because you used to sit over there.

Mr. Olson: It came from that corner of the house. I suppose I have been persuaded by the admonitions of my hon. friends opposite, but I think statistics will bear out that there is a direct relationship between increased availability of funds and the price of land. The more funds that are made available, the higher the price of land. So this question must also be taken into consideration.

On the other hand, Mr. Chairman, another argument against holding a statutory rate substantially below current commercial rates is that it does not have equal application to all those engaged in agriculture. To be just, we must bear in mind that to date only about a quarter of the farming community of Canada has made use of the facilities offered by the Farm Credit Corporation. Therefore any heavy subsidy of the F.C.C. would be of benefit to only about a quarter of the farmers of Canada.

Mr. Stanfield: Mr. Chairman, I hope the minister will not be offended if I suggest to him that the assurance he has given with regard to the level at which the rate will be set is really not worth very much. It is not worth very much in the sense that his assurance would not be binding on anybody else. There would be nothing to prevent even this government from deciding for some reason in, say, a year's time, that the rate should be above 1 per cent. The government would not be restricted by statute. I am not questioning the minister's good faith in saying this, Mr. Chairman, but he surely must realize that any assurance he gives the committee in this regard is of very limited value.

Mr. Olson: Mr. Chairman, I have to say to the Leader of the Opposition that nothing is absolute and forever.

Mr. Horner: A 5 per cent rate was till the Liberals came into power.

Mr. Olson: The undertaking that we give now is predicated on our expecting to be in office for a rather long term.

Mr. Stanfield: Before the minister gives any undertaking here tonight that is intended to be valid, in all sincerity I would suggest the committee would have no guarantee that the government would not decide in a year's time that there were compelling reasons for moving the rate above 1 per cent.

Mr. Olson: Except, Mr. Chairman, that 1 per cent above the cost of the money received by the Farm Credit Corporation from the Department of Finance does take care of the administrative costs of the Farm Credit Corporation, plus a fraction of a percentage point to take care of losses. That in fact meets all the conditions and intentions with regard to the Farm Credit Corporation as enunciated, not only by this government and the previous government but also by the government sympathetic to the views of the Leader of the Opposition. There is no intention at present of having the Farm Credit Corporation make a profit. Perhaps at some future time the government, through an order in council, might set interest rates that will enable the corporation to show a profit over and above its costs of operation. Nevertheless I suggest to my hon. friend that that would be a difficult decision for any government to take.

• (8:10 p.m.)

Mr. Stanfield: Despite the minister's assurance, I say he is asking the committee for a blank cheque.

Mr. Olson: No, Mr. Chairman, it is not a blank cheque. The rate may fluctuate, but the undertaking that it will not be more than 1 per cent above the cost to the corporation is not a blank cheque.

Mr. Stanfield: Last winter we heard an undertaking in this house, no doubt sincerely given, that expenditures would not exceed $10.3 billion. We know what happened to expenditures.

Mr. Olson: Yet I notice that members of the hon. gentleman's party are asking for greater and greater expenditures with lesser and lesser taxation.

Some hon. Members: Hear, hear.

Mr. Gleave: The minister argues against a low or subsized interest rate on the grounds that it would be selective, apply to only 25 per cent of all farmers, and therefore, in the minister's terms of reference, unacceptable. Yet we have a subsidy to dairy farmers who form a relatively small proportion of the farming community. We make subsidies available to a particular segment of the farming community where that is advisable, an example being subsidies paid under the Wheat Reserves Act. Surely under this legislation we could make a subsidy available to any farmers who wish to avail themselves of it. The young, beginning farmer with limited money would find this most welcome.

Mr. Olson: One can rationalize in any way he chooses. We do more than the hon. member suggests. We pay part of the costs of crop insurance. Crop insurance is not available with respect to every commodity in every part of the country on the same basis, and my hon. friend knows that.

If we subsidized credit interest rates we should be making discriminatory subsidies available to different farmers in the same area who might be producing the same crop. That is a different situation from one in which commodities are selected in certain areas or under certain provincial administrations under shared cost programs, and so on. We have tried to meet emergency situations by way of government assistance, but no subsidy program has ever been perfect. We can make better use of the government's money if we try to make subsidies available to producers of the same commodities who grow them in the same region and under similar conditions.

Mr. Gleave: I can accept the minister's point of view. He wants to keep subsidies fair, and I think we all accept that. Our objective in this bill is to help the young farmer who is at a disadvantage in the credit field. Surely we ought to help the younger man who is beginning to farm. Is the minister saying that the government prefers to give everyone an equal chance? Is the farmer who is beginning, the farmer who is at a disadvantage, to try his luck with the rest?

Mr. Olson: That is not what I said. Surely the hon. member realizes that before any farmer can take advantage of a subsidy with

regard to interest rates he would first have to go into debt. I do not think we should be on sound ground in discriminating against those who try to paddle their own canoe.

Mr. Horner: Surely, Mr. Chairman, the hon. member for Saskatoon-Biggar is suggesting that there ought not to be one rate for all applicants. The minister went on his high horse and said piously, "Surely you are not asking farmers to go into debt." The hon. member was talking about young farmers or disadvantaged farmers, whether they operate individual, family or corporate farms. The minister does not want them to have any advantage.

I refer the minister to page 20 of the Farm Credit Corporation's financial statement which proves definitely that in 1968 a surplus of $1,212,000 in interest was paid back to the government. The hon. member for Saskatoon-Biggar I suggest was trying to tell the minister that the principle well established under the old act ought to be carried forward into new legislation. The minister ought to give special recognition (a) to young farmers who are establishing themselves in the agricultural industry, either as newcomers or as farmers taking over from their parents and (b) to the fact that a special interest rate ought to be available to individual family farms. I think that is what the hon. member for Saskatoon-Biggar was driving at.

Certainly if the interest rate for corporate farms is higher than that available for preferred farmers, no one will quarrel. But the principle I have enunciated has existed for five or six years and I think the minister can say very quickly whether that principle is to be carried forward to the new legislation. The principle I refer to is that of two interest rates, one rate being applicable to the family farm, and the other to the corporate entity. Or is there to be one, uniform interest rate?

Mr. Olson: The corporate entity my hon. friend speaks of is a corporation composed of a small number of shareholders. There might be three; in any event, they are of limited number. In most instances corporations are made up of members of the family.

• (8:20 p.m.)

Mr. Horner: Where does it specify that a corporate entity shall be made up of small numbers?

Mr. Olson: It does not say that and I have given my hon. friend assurances time after time that a very large majority, substantially more than 51 per cent of the controlling interest by way of shares, must be held by an operating farmer, a person who is actually operating a farm.

Mr. Horner: A person; what is the legal definition of a person?

Mr. Olson: That is why we changed the definition from "person" to "individual" because we wanted to make sure under clause 1 of the provisions of the bill that the individuals within the corporation are looked at to make sure that they too are active farmers, operating farmers—an individual whose principal occupation is farming. I have explained all that.

The other part of the hon. member's statement that there was in fact an excess of $1,212,000 of interest collected, earned on mortgages to farmers, over the interest payable to the government of Canada, is true for 1968; but after this year that disappears and turns into a deficit, and the deficit escalates from this year on. I have no reservation or hesitation in telling my hon. friend that what we are doing is a most responsible action and in keeping with the spirit of the setting up of the Farm Credit Corporation in the first instance—that it was going to make money available to farmers in large volume, at cost. That is what we are doing.

Mr. Horner: Mr. Chairman, the minister did a fine job of skating around the problem. One would almost think he was a hockey player. I asked him a simple question to which he could answer yes or no: In effect is the principle of two interest rates going to be carried on under the Farm Credit Corporation? He went to great lengths to skate around that question, and he pointed out that I was using a table which may not be true in the years ahead. I did not go on and use the most optimistic figure. I could have read from page 20 of the corporation's report, that with appraisal and legal fees another $1,127,000 is considered income, and other income is given as $140,000.

The total income of the Farm Credit Corporation with regard to interest and operational services, over interest paid to the government of Canada, is in fact nearly $2½ million. Taking into consideration what the minister said yesterday, that the government is fully prepared to stand the operational costs of granting the loans I point out, Mr. Chairman, that the government even in 1968, if you examine the figures on page 20 of the corporation's report, never had to stand the operational

costs of the Farm Credit Corporation. Let me make it abundantly clear that never in 1968 did the government absorb all the operational costs.

All the minister has to say is, "Yes, there is room for a lower rate of interest for an individual, for family farms, for young farmers, than there will be for corporate entities." That is all he has to say—yes there is, or no there isn't. I want to get through this bill tonight; I don't want a long exercise in skating.

Mr. Olson: Mr. Chairman, the present intention is that there shall be one rate of interest.

Mr. Horner: Therein lies the problem. A few minutes ago the minister said that the principle upon which the act was established will be carried forward. He failed to answer that question in the affirmative. He recognizes then that the principle upon which the act was founded to help the small farmer, to help the farmer not on an economic unit to acquire an economic unit, is changed. He has established once and for all that under clause 5, from here on the Farm Credit Corporation shall operate on one interest rate, with no special privileges to a young farmer, no special privileges to the family farm, and no special privileges to an individual farmer. They must borrow money at the same rate as a corporate entity, or as several farmers combined in a small corporation. Mr. Chairman, I believe the minister has failed to protect or safeguard in any way, shape or form, the well established principle that the family farm is a necessary entity and a very efficient farming enterprise. I want that clearly understood.

The minister shakes his head. He agrees with himself that the family farm is no longer an efficient enterprise, that no longer should it be given special consideration by the government. This is what he said by shaking his head to my remarks. If he denies it, I say to him stand up and say so.

Mr. Olson: I will do it as soon as the hon. member sits down.

Mr. Horner: He says as soon as I sit down; well, I am interested in hearing him. I will yield the floor.

Mr. Olson: Mr. Chairman, just to correct the erroneous impression my hon. friend mentioned about the original intention and principle of establishing the Farm Credit Corporation, I would like to remind him that the 5 per cent interest statutory limit, set when this act first came into being, was substantially above the interest rate that the minister of finance was paying for funds at that time—

Some hon. Members: Hear, hear.

Mr. Olson: And the second thing about which I would like to remind the hon. gentleman is that most of the amendments are changes for the purpose of enhancing the position of family farms, and not the opposite, as he claims. Therefore those assertions are absolutely contradictory to the facts.

Some hon. Members: Hear, hear.

Mr. Horner: The backbenchers in the Liberal party are such a group of trained seals—

Some hon. Members: Hear, hear.

Mr. Horner: —they agree with the minister without knowing the facts.

Some hon. Members: Hear, hear.

Mr. Horner: Let them deny this fact, that the Farm Credit Corporation was established in the year 1959.

Some hon. Members: Oh, oh.

Mr. Horner: Nobody denies that fact, so we are in agreement on premise No. 1. I say to the minister, turn to page 24 of the Farm Credit Corporation financial report. What did the Farm Credit Corporation pay for money from the minister of finance in the year 1959? It paid 5.75 per cent interest.

Mr. Olson: Oh, no, read it right. It was 4 per cent.

Mr. Horner: For $21 million; for $10 million 5.75 per cent.

Mr. Olson: Four per cent.

The Chairman: Order.

Mr. Horner: The minister says substantially below—

The Chairman: Order, please. I hesitate to interrupt the hon. member but it is in the interests of the committee as a whole that it allow the hon. member for Crowfoot to complete his remarks without unnecessary interference.

Mr. Horner: The point is that the minister said that at the time the government set the 5 per cent interest ceiling the corporation was in fact borrowing money from the minister of finance at a rate substantially below that.

An hon. Member: Why don't you read it right?

Mr. Horner: Read tomorrow's *Hansard* if you doubt what I am saying. Page 24 of the Farm Credit Corporation's annual statement states that in the year 1959-60—1959 was the year in which the act was established—the corporation of the day borrowed $13 million at a rate of 5.75 per cent. Is that substantially below the 5 per cent rate at which they were lending it out? To me it is not.

• (8:30 p.m.)

The minister went on to say that there is no attempt in this new bill to try to do away with the family farm or give preference to the family farm. For the benefit of all the backbenchers on the other side I wish to point to clause 8 in the bill. If they will read paragraph (b) they will see the word "farming" underlined. Then if they look at the opposite page they will see this supplanted by "farming corporation". The expression "family farm" is being removed and in its place we have "farming corporation". Now I ask you trained seals to judge who is right in this argument. The minister said the family farm shall be maintained and that in no way are they taking any different attitude toward the family farm than was taken when the act was first established. I ask you to look at the facts and then pound your desks and clap your hands.

Some hon. Members: Hear, hear.

Mr. Horner: Mr. Chairman, those trained seals do not even recognize who their master is. They clap their hands when I say so. There are the facts. Let the minister defend them any way he likes or attempt to distort them in any way he likes.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I wish to direct some comments to the minister concerning the interest rates he mentioned. He said that at one time money could be borrowed for less than the rate the Farm Credit Corporation was charging. I suggest that if this were true, and that if he were to carry his analogy a little further the income of the farmer should have gone up as much proportionately today as in that day. I suggest that this is not the case.

[The Chairman.]

I could not conscientiously go back to the people in my constituency and tell them that I have allowed a higher interest rate in respect of the Farm Credit Corporation without a voice of protest, because the income of the farmer has not changed that much; he is in a bind at the moment. The government may feel that it is expedient to increase the interest rate in this particular case. I would go along with this if the farm economy were in a viable economic condition. But since it is not, and since there does not seem to be any indication that it will be so in the immediate future, I suggest to the minister that we could at least keep these costs under control.

I am sure the minister is aware, because of the large amount of capital required for an efficient farm unit in this day, that in effect farms nowadays have a perpetual mortgage on them. One might consider that an additional 2 per cent on an amount of $40,000 in one year represents $800. I realize that this is not paid during all the years of the mortgage, but in any event it is a substantial increase. I hereby register a protest against this increase on behalf of the people in my riding who, because of a lack of grain sales, are not in an economically sound position.

Had the minister or other representatives of the government sold the amount of grain they should have during this past year, things might have been better. However, this is not the case, and for this reason I protest.

Mr. Danforth: Mr. Chairman, the minister has stated very strongly that the interest rates shall be the same to all individuals who borrow money under this act. Is it not true that the minister must qualify this statement? The only case when the interest rates will be the same to all individuals will be when these individuals all borrow the money in the same period of time. If the bank rate should change, the governor in council is empowered to change the interest rate. Therefore in a period of two or three years we may have three or four different interest rates, and farmers who borrow money in that period in effect could be paying four different rates of interest rather than the same rate, as the minister indicated.

Mr. Olson: I agree with the hon. member that the rate can change from time to time; but the rate to any borrower at any given time will be the same. Therefore we are on common ground.

Mr. Danforth: The minister also indicated that over a period of time the interest rate

could go down instead of up. This of course is something that could be anticipated; but this has not been the history so far as the farmers are concerned. They have not found that the costs go down. Is it not a fact that under the terms of this bill as now proposed, if the rate of interest should be changed to 1 per cent or 3 per cent, because the farmer has entered into a contract with the corporation at a specific time at a specific rate of interest he will not be allowed the new rate and will have to pay the full amount for the entire period of the contract.

Mr. Olson: In response to my hon. friend's direct question the answer is very simple. A contract is a contract.

Mr. Danforth: In other words they are hung up.

[*Translation*]

Mr. Fortin: Mr. Chairman, I should like to put a question to the hon. Minister of Agriculture (Mr. Olson).

Would the minister not agree that, in view of increased interest rates and the excessively high cost of farming equipment, within a short time the small farmer could lose his farm?

Will he not agree that the small farmer might, at some point, lose his farm because his financial obligations are so high that he cannot meet them?

[*English*]

Mr. Olson: Well, I do not know that I can answer directly the question as to whether a farmer will lose his farm because the interest rate is too high. I suppose any farmer or any other businessman who has extended himself to the point where the interest charges to service his debt are in excess of his ability to meet them runs a risk. But this is not unique to farmers.

[*Translation*]

Mr. Fortin: Mr. Chairman, I wonder whether the honourable Minister of Agriculture (Mr. Olson) does not recognize the fact that there could come a time where, due to increased administration costs and the high cost of living, some Quebec farmers might lose their farms because they cannot sell their produce or else they sell it at low prices.

I should like the minister to comment on this.

[*English*]

Mr. Olson: Wherever that occurs because of depressed market prices, whether in Quebec or in any other part of Canada, it is so. I suggest to the hon. member that it is not a problem that is specifically confined to the province of Quebec.

[*Translation*]

Mr. Fortin: Mr. Chairman, I do not think that is any sort of answer.

The question is not only whether the products are not sold in Quebec, in Ontario, or in British Columbia, but whether the farmer will be able to stow a profit at the end of the year under the new legislation introduced by the minister, after having covered his costs and sold his products at a profit.

I do not think it is any sort of an answer to tell me that the problem does not only exist in Quebec.

Mr. Chairman, I should like to point out that the minister seems to be evading questions rather than answering them.

[*English*]

Mr. Olson: In direct reply, as it concerns this bill and particularly this clause, I should like to advise the hon. member that in the year 1967 the corporation took back only 11 properties out of a total of 64,000.

[*Translation*]

Mr. Fortin: Mr. Chairman, could the hon. member tell us, from his fine statistics, how many farmers had to abandon their farm during this same period?

• (8:40 p.m.)

[*English*]

Mr. Olson: We would have no way of knowing how many farmers decided in their own minds that they wanted to sell out and retire their debts. We have no way of knowing how many liquidate or for what reason.

Mr. Ritchie: Mr. Chairman, if a farmer made a loan at the going rate of interest and subsequently the rate fell, would he have the privilege of renegotiating this loan? If he did so it would be an advantage and would make this bill more acceptable.

Mr. Olson: Mr. Chairman, it would be somewhat difficult in answer to that question to say that the farmer would be able directly to refinance with the Farm Credit Corporation. Certainly if there were a retirement of a loan at some higher interest rate than was

being charged at a given time the possibility would be open for him to refinance at a lower rate.

Mr. Thompson (Red Deer): Having regard to this question of rigidity, as far as this bill is concerned, Mr. Chairman, it strikes me of particular interest to hear what the minister has said about the impossibility of making provision for special areas of the agricultural community. I should like to remind him of some of the remarks he made in past years about this topic. On June 2, 1964 at page 3873 of *Hansard* for that day we read these words:

> —there should be provision made for supervised credit primarily for young farmers in low income families. We know there are many very ambitious and capable young men who have the talent to go into the business of farming as a lifetime occupation but are unable to do so because there is not enough credit available for them at the outset to set up an economic farm unit. The raising of the maximum limit alone will not solve this problem.

Mr. Asselin: When did you change your mind?

An hon. Member: When he changed his seat.

Mr. Thompson (Red Deer): In 1966 when we were again dealing with farm credit legislation the minister is reported as having said at page 4324 of *Hansard* for that day:

> The situation is perhaps not so difficult for well established farmers, who have accumulated the necessary capital, but it is extremely difficult for a young farmer to obtain this amount of capital. If the young farmer does not obtain the capital he is unable to obtain the productivity necessary to provide a reasonable standard of living; his net income is not sufficient.
>
> If we refer to the records of the Farm Credit Corporation we find that the regulations applicable to young people who wish to start farming have perhaps been a little too rigid.

If that was true then, how can the minister justify this legislation in relation to exactly this same point? It is not even as strong in this regard as the previous act, because it omits certain wording which did at least place the onus on the government to give consideration to young farmers or family farm units?

Mr. Olson: Mr. Chairman, perhaps I should suggest to the hon. member for Red Deer that it might be advisable for both him and me not to read too many of our own speeches.

Mr. Thompson (Red Deer): Speak for thyself, John, not for me.

Mr. Olson: Let me say in all seriousness, and I do not intend to quote other speeches, there have been things said in the past when we were defending a certain position. Fortunately for me, almost all of the principles on which I enunciated a position have remained constant.

Some hon. Members: Oh, oh.

Mr. Horner: Stow that. The minister cannot even say that with a straight face.

Mr. Olson: The minister is laughing because of something else he is thinking. Let me say to the hon. member for Red Deer that we have corrected that problem in respect of young people. Young farmers can get established as a result of moving up to 90 per cent the credit available under this act. Let me also say to him that there are other reasons, and I have explained this in detail on several occasions during this debate, that it is not advisable to have an especially low rate of interest. The main reason is the inflation of land costs. These costs go up almost in direct proportion to the availability of these loans. I am sure the hon. member does not want provisions put into this act which would discriminate against certain people. As soon as you make more money available to a greater number of people, for some strange reason—it is not so strange if you understand the practicalities of this—the price of land goes up. That is not a service to young people.

The increasing of the amount available to 90 per cent of the requirements from former levels for the establishment of these units is of great benefit. That is why I said these principles I enunciated some time ago are still valid.

Mr. Thompson (Red Deer): Let us try this one on for size. On April 12, 1965 as recorded at page 237 of *Hansard* for that day the minister said about the increase in the value of land—and we were not talking about credit that—

> —credit is no longer the answer. We have now to provide our farmers with an opportunity of repaying some of the credit extended to them during the past few years.

All the minister is saying is that we are not going to increase the facilities for repaying the credit that is extended. We are going to make it more difficult because we are going to make the act so rigid that the benefit of the doubt in respect to interest rate fluctuation will not go to the farmer.

Let me refer to another point that is very relevant to this debate at this time. Again I refer to the minister's words, this time on June 6, 1967, and this can be found at page

1210 of *Hansard* for that day. He spoke about the necessity of providing funds for the Farm Credit Corporation, and referred to the fact that the Bank of Canada was used by the government to provide at least part of $1,520,000,000 to the C.M.H.C. Then he said:

If we are to be faced with this kind of deficit or national debt in Canada, I would certainly hope that the minister—

That was the minister of finance at that time.

—will expand a practice which has been started. I hope he will obtain a larger share of that money from the Bank of Canada.

Has the minister contemplated using the Bank of Canada to provide some of these funds, and allow this money to come back, as was discussed yesterday, on a revolving basis so the interest rate can be kept down instead of accelerated by this kind of policy?

Mr. Olson: What I said about making provision so farmers could repay this debt is just as valid today as it was then. I suggest the hon. member should recall some of the actions this government has taken since June 25 along precisely these lines. Let me remind the hon. member of the action we took this afternoon so far as corn producers are concerned. That is one of the steps we have taken, along with many others.

That is not what is now considered in Bill No. C-110. We are dealing with credit facilities under the Farm Credit Corporation. I am rather proud of the fact that there are amendments involved in this act which will make it easier and more beneficial to the agricultural community in general and some of the young farmers and family farms in particular.

• (8:50 p.m.)

I would also like to say to my hon. friends opposite that one of the purposes of making some of these amendments is to reduce the deficits about which my hon. friend spoke, because we think this is in keeping with responsible government.

Mr. Thompson (Red Deer): Mr. Chairman, if the minister is speaking about increasing the amount of credit that will be available to farmers, I would agree with him. But we are talking about credit alone not being the answer. We are talking about the cost of this credit. All we will be doing is allowing the farmer to come under increased pressure that will raise the cost of the credit, and make it less possible and practicable for him to repay a loan.

For this reason it seems to me that the question is still what it was when the minister enunciated it in 1964, 1965 and 1967; that is, we must do something to hold down the cost of credit. That is what this argument is about; it is about the interest rates that the minister refuses to bring under any kind of control or regulation, in so far as concerns giving the farmer the benefit of the doubt.

Mr. Harding: Mr. Chairman, I will be less than a minute in what I have to say. The latest information which we had from the minister this afternoon was that for a loan to the Farm Credit Corporation the interest rate was 6.45 per cent, and loans to farmers are 1 per cent higher than this. This brings the interest rate to almost 7½ per cent; in fact, to 7.45 per cent.

There is a crisis in agriculture today; probably one of the worst we have had in many years. At this time, when many farmers are in need of assistance by way of a loan, we are taking the ceiling off the interest rate, which means another burden loaded on the farmer who is in the unfortunate position of having to borrow money. I recall that during the debate some days ago the minister indicated that he felt interest rates were coming down. I think the mere fact that he has introduced in this piece of legislation the idea of taking the ceiling off the interest rates is a clearcut indication that the government knows very well that interest rates will remain high. I think it is also a clearcut indication that this government has not a hope of controlling inflationary interest rates.

That is the government's admission to this house and the people of Canada, namely that they are in serious trouble as far as costs are concerned. We should have a real drive on curtailing costs, the cost of money and the cost of everything else. If this drive were made by the government we would not be in the position tonight of having to take the ceiling off interest rates and loading a terrific burden on those farmers who have to borrow money at the high rate the minister is going to set.

The Chairman: The hon. member for Lotbinière.

Mr. Horner: Mr. Chairman, just before clause 5 carries—

The Chairman: Order, please. The Chair has recognized the hon. member for Lotbinière.

[*Translation*]

Mr. Fortin: Mr. Chairman, I would like to make a few brief remarks.

I asked the Minister of Agriculture (Mr. Olson) a few questions earlier, but he did not seem ready to answer them. In fact, he knows the answer but he cannot give it because his hands are tied. It is quite obvious, Mr. Chairman, that this measure will increase the operation costs of the farm. It is quite obvious that this measure will increase the administration costs and, in that regard, I agree with the previous speaker.

I therefore ask the minister once again to admit that this measure will eventually result in the disappearance of a great number of family farms in Quebec to the benefit of the bigger operators and that high finance will be able to put under its control the same farmers who can barely survive now. I am asking the same question as before, hoping to get a satisfactory answer this time.

[*English*]

Mr. Horner: Mr. Chairman, I have just one quick question under clause 5 and interest rates.

Mr. Olson: Mr. Chairman, may I reply to the hon. member for Lotbinière? I thought I had answered the hon. member when I said we do not expect that this provision will get rid of the smaller farms. Indeed we hope that the amendments in the bill will make it possible for smaller farmers or groups of smaller farmers to be competitive with the larger commercial enterprises that may have developed around them. We hope this measure will be beneficial and not harmful.

Mr. Horner: Mr. Chairman, there is one very quick and simple question I would like to ask before we get off interest rates. I believe it has been the policy, and the minister can correct me if I am wrong, that in a year in which a farmer for one reason or another has had a difficult harvest—take this year for example—and is unable to get his crop off the land due to weather conditions, and because of this is unable to meet his commitments to the Farm Credit Corporation, the corporation will charge him an increased interest rate of one half of one per cent on the amount of money he has failed to pay off, for the period in which he has failed to pay it off. In other words, if he fails to pay it off one year they charge him an increase, over and above the amount they are already charging him, of one half of one per cent. This is a simple question: Is this practice going to continue, in the light of the difficult harvest this year, or will the minister be generous in his setting of the new interest rates, and will the new interest rate encompass all situations?

[The Chairman.]

Mr. Olson: Mr. Chairman, I answered that question earlier today in reply to the hon. member for Wellington-Grey, to the effect that the Farm Credit Corporation does give consideration, and I may say sympathetic consideration, to any individual farmer who has been adversely affected by some natural cause, whether it be hail, flood or what have you.

Mr. Horner: Rain and snow.

Mr. Olson: Yes, rain and snow also. While we do not declare a moratorium on interest rates or payments for an area, it has been the practice, and we will continue that practice, to receive sympathetically applications from individual borrowers who have been caught in adverse conditions.

[*Translation*]

Mr. La Salle: Mr. Chairman, I would not want to delay the business of the house either. I am as anxious as everyone here to see this bill passed.

Lastly, I should like to put a specific question to the honourable Minister of Agriculture. I admit, as he does, that this bill is not bad and that, on the whole, it is quite acceptable.

However, with regard to the interest rate, this is where the trouble starts, if I may be allowed to use this phrase. The honourable minister said that it was not possible nowadays to recover sums of money at a 5 per cent interest rate. We quite agree with him. But, has he considered the fact that the government could pay the difference between 5 and 7 or 8 per cent?

The farmers, at least those in the area with which I am quite familiar, want to know what will be the cost considering the present farm situation. They seem quite concerned about this legislation. In fact, they want all honourable members to know that the farmers would like this interest rate to be established and maintained at a reasonable level. I think that some members even suggested a percentage, provided that the minister specifies the rate of interest and sets a maximum. As he refused to do so, we have to reject the very principle of the bill.

Could the government not accept a compromise as to the rate of interest, so as to truly serve the agricultural class which is going through a difficult situation?

As far as other clauses of the bill are concerned, I think they are acceptable and I even recognize their merits.

[*English*]

Mr. Olson: What I have tried to explain is that the Farm Credit Corporation supplies these credit facilities to the farmers of Canada at cost. What I have also said many times is that the interest rate will not be more than 1 per cent above the cost of the money to the corporation from the Minister of Finance. That changes from time to time. I think this is as precise as it is possible to be and I hope my hon. friend will accept it as a satisfactory answer for the time being, because it is in fact in keeping with the original intent that it shall be a service provided to the farming community at cost.

• (9:00 p.m.)

[*Translation*]

Mr. La Salle: Mr. Chairman, if I am allowed a remark, I must say that this is not very clear. Will the minister say whether or not he intends to set the rate at 5 per cent?

[*English*]

Mr. Olson: No. Quite obviously, the rate was 5 per cent and now we are changing it to a prescribed rate. So it will not be 5 per cent.

[*Translation*]

Mr. Asselin: Just a few words, Mr. Chairman.

It has just been said that the bill before the house is excellent for the farmers—

Some hon. Members: Hear, hear.

Mr. Asselin: Since the beginning of the session, Mr. Chairman, we see on your left "yes men" who applaud anybody and anything.

Some hon. Members: Hear, hear.

Mr. Asselin: They have learned very quickly to approve anything which is done by the government, whether it is good or not and I leave them to their illusions.

If the hon. minister does not put a ceiling on the interest rate and leaves it to the corporation to set a margin of 1½ per cent, his bill will be inoperative. Even now, I do not know any farmer in eastern Canada who has the means of borrowing money at the rate suggested by the hon. minister. If the rate is set at 7 per cent, some farmers will be in such dire financial straits that they will be forced to leave their farms. Indeed, when we speak of a 7 per cent interest rate, they know full well that they will not be able to benefit from the provisions of the act.

As the farmers in eastern Canada, and especially those in Quebec, have an average income of $2,000 to $2,500 a year, how does the minister expect them to be able to borrow at a rate of 7 or 7½ per cent to improve their farming operations?

I say that the minister could at least assure the house that, this bill having been passed, should interest rates become exorbitant and prohibitive—which as I said a while ago would make this act inoperative and inefficient—the governor in council would set a maximum interest rate in order to allow the farmers, especially those of eastern Canada, to benefit from the act.

I ask the minister to adopt flexible rules enabling him to intervene from time to time and put a ceiling on the interest rates, so that the farmers might benefit from the bill he introduced to the house.

[*English*]

Mr. Olson: Under the prescribed interest rate provision the governor in council may set the interest rate at any level.

Mr. Stewart (Marquette): Did I understand the minister to say that under certain conditions a farmer's payments can be extended for a year without additional charge? Does the minister not feel that the circumstances this year—the frost and the bad harvest conditions—warrant such consideration?

Mr. Olson: The minister did not say deferment would be possible without any charge. I think there has been a charge of one half of one per cent in the past. I did say, though, that consideration has been given to individual applications for deferment in any year when an applicant, through no fault of his own, was deprived of his income. To date, in many parts of western Canada, there has been no harvest because of severe weather conditions. In my view this would certainly be a reason for making such an individual application to the corporation.

It would not be prudent, in my opinion, to declare a moratorium applicable to a whole area because in any given area there are farmers whose operations are different from

those of their neighbours, and who may have obtained a satisfactory harvest. As I have said, we shall continue the practice of giving consideration to the position of farmers who have been affected adversely to the point at which they have no income of their own in a particular year.

Mr. McCutcheon: I understand from the minister's remarks earlier that a farmer pays roughly 1 per cent above the cost of money to the Farm Credit Corporation. Is there any undertaking that the money will be transferred by the Minister of Finance to the corporation without a surcharge? In other words, is there a possibility that one day a tight-fisted minister of finance might feel it was desirable on his part to become a hero and charge the corporation one half or one per cent more than the rate at which he had been able to raise the money? I hope I have made myself clear.

Mr. Olson: I think the hon. member has done so. The Minister of Finance sets rates from time to time with repsect to loans to crown corporations. The hon. member used the word "tight-fisted" but I do not think any minister of finance would set a substantially higher rate than the cost of the money to him. I do not think this would happen at any time.

Mr. McCutcheon: Does the minister say, then, that the money is turned over without a surcharge?

Mr. Olson: No, I did not say that; I said it was a very, very small charge which the minister of finance makes. It is not easy to determine precisely what the cost is, because there are different rates in public issues for different terms, and rates have to be averaged out to some extent in order that the corporation would be paying a rate comparable to that which the Minister of Finance has to pay. However, we expect that the corporation will have the use of this money at almost the same rate, taking into account the calculations which would need to be done to make provision for a comparable term.

• (9:10 p.m.)

Clause 5 agreed to: Yeas, 77; nays, 53.

On clause 6—*Agreement re loans to Indians on reserves.*

Mr. Horner: Clause 6, Mr. Chairman, is a new clause in which I am pleased to see the Farm Credit Corporation, even poorly in a bad bill, make a small gesture toward the Indians. However, I feel the government has failed to recognize a very serious problem in the country today. I say this as a member for the constituency of Crowfoot. I should like to answer the slur that was cast upon the name of Crowfoot here the other day by the Prime Minister. My constituency is named after a great Indian chief, Chief Crowfoot. The Blackfoot Indians now live within the constituency of Crowfoot. I want to make it abundantly clear that it was Chief Crowfoot who signed the peace treaty with Colonel Macleod and said, "There will be peace as long as the rivers flow and the grass grows on the prairies". It is an honour indeed for me to carry his name into this chamber.

I cannot help but rise to point out the inequities in this particular clause. There are many of them. I say to the minister that it is a hollow gesture to give the Indians the opportuntiy of borrowing from the Farm Credit Corporation. It is a gesture, however, which will get the government and the department of Indian affairs off the hook; that is what it will do. When an Indian tribe or band goes to the Indian affairs branch and says, "We want to borrow money", the branch will be able to tell them to go to the Farm Credit Corporation.

An hon. Member: Good.

Mr. Horner: Some members on the government side clap their hands, but they know not why they clap their hands. I am very serious about this particular point. Clause 6 of this bill says, in effect that three white men are equal to a whole tribe of Indians. Sit in your seats now and clap your hands.

An hon. Member: I cannot hear you.

Mr. Horner: This bill indicates that three white men are equal to the total number of people of the Blackfoot reserve. This is a serious matter. There is a hush in the chamber now when hon. member know the facts; they are not so happy. They realize what they are doing. Is this equality? I say to the minister through you, Mr. Chairman, that this is nothing but a hollow gesture.

I may say that the Indians on the reservation in my constituency have already borrowed $100,000 to form a cattle co-op. The minister should know this, and I think perhaps he does. They are buying steers and selling cattle; they are making money with that cattle co-op. However, only a small percentage of the Indians on the reservation are in that co-op, not more than a third of the

whole tribe on that reservation. They have made good use of the $100,000. Clause 6 limits to $100,000 the amount an Indian band or tribe on a reservation may borrow. According to one of the following clauses in the bill three individuals, other than Indians, can borrow $100,000.

I say to the minister that this principle is wrong. It is disgraceful in a day and age when equality is considered just and fair. I say it is wrong in a just society; I say it is wrong in any kind of society in the twentieth century. I have already moved an amendment to clause 5 of this bill and I am prepared to move an amendment to clause 6. No one on the government side supported my amendment to clause 5.

An hon Member: Nobody will on clause 6, either.

Mr. Horner: A member says that no one will on this clause, either. I want every one of you on the backbenches on the government side to realize what the amendment I am moving is going to mean. It is going to mean that three people, other than Indians, shall not be equal to a whole Indian band as this clause suggests now. If you disagree with the hon. member for Crowfoot you will be saying that you believe three people shall be equal to that number of Indians. In essence, this is the matter upon which you will be voting. I want each and every one of you backbenchers, you trained seals, to weigh this in your own mind and not be guided by everything the minister suggests or everything the Prime Minister suggests, especially when the Prime Minister has no regard for Crowfoot.

I have a very high regard for Crowfoot. I have visited the monument that is near the town of Gleichen, Alberta, where Chief Crowfoot and Colonel Macleod signed the peace treaty. I was there—

Some hon. Members: Oh, oh.

Mr. Horner: Perhaps hon. members are a little too eager to laugh. I was there with Chief Yellowfly who is now the administrator, and Mr. Adam Solway who is now the chief of the reservation. I was very much impressed by the high respect—

An hon. Member: Heap big respect.

Mr. Horner: That remark only belittles the hon. member making it, and I will not name him. I was there and I was very much impressed by the high regard in which Chief Crowfoot was held. I was greatly impressed by the attitude of these Indians toward the act of Chief Crowfoot when he signed the peace treaty with Colonel Macleod. The Indians all over western Canada at that time wanted to rise to the battle call of Gabriel Dumont and Louis Riel at the battle of Batoche. The Indians all over wanted to answer that call, but Chief Crowfoot stopped them.

The Chairman: Order, please. I would invite the hon. member for Crowfoot to return to the provisions of clause 6.

• (9:20 p.m.)

Mr. Horner: I am sure, Mr. Chairman, that you and other hon. members will forgive me for getting carried away for a minute. I happen to represent a constituency that is named after a great Canadian, and I suggest that this clause is a disgrace to this government and the minister. The Minister of Agriculture comes from western Canada and formerly represented part of the area of which I speak.

The proposed section 17A reads as follows:

With the approval of the governor in council, the corporation may enter into an agreement with the Minister of Indian Affairs and Northern Development—

I see the minister in charge of Indian Affairs and Northern Development is now in his seat. I am pleased he is taking part in this debate. I would ask him whether he thinks that a band of Indians could be considered equal to three people who are not Indians.

Mr. Perrault: That is nonsense, and you know it.

Mr. Horner: Someone says that is nonsense and I know it. I would ask him to read clause 6 (4), to be found on page 5 of the bill. If what I said was nonsense then I would be interested to see how he votes on the amendment that I now propose to move. I move, Mr. Chairman:

That all the words after "shall" in line 3, page 5, paragraph (4) be deleted and the following substituted therefor: "be determined by agreement between the corporation and the Minister of Indian Affairs and Northern Development, with the approval of the governor in council".

This amendment does not seek to do anything drastic, Mr. Chairman; I want everyone to abide by it. If the department of northern affairs and the governor in council believe that an Indian band should be limited under the act to a loan of $100,000, then they may do so. But let them be brave enough not to make a public declaration that three people

who are other than Indians are equal to one Indian band. Let us be gentlemen in a land where we pride ourselves that we put equality above all else. Let us be just in this supposedly just socety.

I am not saying that the limit should be $200,000 or $300,000, Mr. Chairman. All I seek to do is to remove the limitation that this clause now places upon an Indian band. Clause 6 (4) reads:

> The total amount outstanding of loans that may be made to any one band under this act shall not exceed one hundred thousand dollars.

I would ask these backbenchers who vote for the government on every amendment to look a little further at this bill. In clause 10 it is provided that three people who are other than Indians on a reservation can borrow up to $100,000. I am not suggesting that Indian bands should be able to borrow more money than they are capable of repaying; I am suggesting that there should be no limit imposed at all. The limit should be decided by their ability to repay, following thorough discussion of the matter with the Minister of Agriculture and the Farm Credit Corporation. They should decide whether an Indian band in a particular part of Canada should be able to borrow $75,000 or that an Indian band in another part that is a little more viable can borrow $125,000 or $200,000.

An hon. Member: Let it be.

Mr. Horner: Mr. Chairman, someone says "Let it be". I cannot let it be so easily. To me this means a lot. I have seen the reputation of these trained seals who vote with the government no matter how just an amendment might be. I ask them not to make a hurried decision on this matter. Do not let it be said that the Liberal party believes that one band of Indians on a reservation is considered equal to three non-Indians not on a reservation.

I am heartened to see the minister of Indian affairs now talking this matter over with the Minister of Agriculture. If there is any doubt about it I would be willing to discuss the question. If the minister has any doubt about my amendment let him stand clause 6 and we can move on to clause 7. We would agree to this if the minister requires further time to discuss the matter. No one is more congenial on this point than I. But I ask hon. members opposite not to rush into a decision, particularly when they tell the people of Canada that they believe in a just society with equal treatment for all. They may be in deep trouble if they move hurriedly on this question.

The Chairman: Order. Is the committee ready for the question on the amendment? The hon. member for—

Mr. Olson: Mr. Chairman—

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, a point of order.

The Chairman: Order. The hon. member is rising on a point of order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, I rise on a point of order to clearly indicate to you that as chairman of the committee it is for you to make the decision who has been recognized for the purpose of taking part in this debate. It is not for the minister of Indian affairs to rise in his place and indicate that some other member should be given the floor.

The Chairman: Order, please. That was precisely what the chair was doing. I was having some difficulty recalling the name of the riding. The hon. member for Selkirk.

Mr. Schreyer: Mr. Chairman, I support the spirit of the amendment that has just been moved by the hon. member for Crowfoot. To the eloquence that he used in putting his case to the Minister of Agriculture I wish to add words of support. I do not know how the Minister of Agriculture, levelheaded man that he is, could possibly allow this blatant discrimination to creep into the drafting of Bill No. C-110. There is something about the amendment moved by the hon. member for Crowfoot, as I heard him read it into the record, that is not quite acceptable to me. Not having it before me it seemed that no specific reference was made in the amendment to the position of Indian bands themselves. In his amendment the hon. member sought to omit any reference to a limit of $100,000 on loans to Indian bands, leaving the amount to the discretion of the minister and the department of Indian affairs.

It seems to me, Mr. Chairman, that the amendment should have provided for consultation or tripartite consideration among the Farm Credit Corporation, the department of Indian affairs and the Indian bands themselves. That is the vital point of the hon. member's amendment.

• (9:30 p.m.)

To return to a consideration of clause 6 and the amendment moved by the hon. member, I

ask the Minister of Agriculture what possible justification there is for limiting loans to Indian bands. No doubt the minister knows that on sizeable reservations three, four or five farm operations may be carried on simultaneously. In my old constituency of Springfield there exists an Indian reservation with a population of between 2,000 and 2,500 people. In 1966 the reservation made plans to carry on three or four different kinds of farming operation. Four or five Indians were to be in each group or co-operative, and each co-operative was to engage in a different kind of farming operation. One group within that band might raise livestock, another grow grain and a third engage in yet another form of farming, and so on.

Limiting the amount available to one band to $100,000 will have serious practical consequences. It would be much better if the limit of $100,000 were to apply to each group of farmers within a band. That way the blatant discrimination of clause 6 would be removed. I recall what the hon. member for Crowfoot said about $100,000 under this bill being available to three farmers working together. I submit that a similar provision ought to make a similar kind of loan available to any three or four Indians working together as a group within a band. I ask the minister to remember that in the near future we shall see three, four or five different agricultural operations carried on within the same band. Why should any one of these groups be subjected to legislation that is more restrictive than that applicable to similar sized groups of non-Indian people. I ask the Minister of Agriculture specifically to answer this question when he replies to the mover of the amendment.

In conclusion may I say that so blatantly discriminatory is this provision that if it were before the United States congress there would be rioting in the streets of United States cities.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I would like to say a few words about the amendment which has just been moved.

Although I do not fully agree with the provisions of the bill under consideration, I feel that those contained in the amendment are not much more acceptable since for two or three days we have been discussing Bill No. C-110 in this house to prevent the Minister of Agriculture (Mr. Olson) from setting the interest rate of the Farm Credit Corporation, because we feel that it belongs to the house to do it.

However, under that amendment, the minister is being asked to determine, in co-operation with the bands, the amount that can be loaned to each band. I realize that that is rather contradictory and that we should find another formula.

I cannot suggest one at this time, because the matter has just been introduced in the house. However, I would like to ask the hon. minister whether, in fixing this maximum of $100,000 for each reservation, he took into consideration the population of each reservation? Obviously, all the reservations do not have the same population.

For my part—I shall not say it too loudly—I think $100,000 can certainly help the small reservation of Blue Point. There are only a few farmers in that area, and they will certainly be satisfied if they can get $100,000, just like the Indians on larger reservations. That is the main point which I wish to bring to the attention of the Minister of Agriculture, because he suggests the sum of $100,000 for all reservations, whatever the size of their population. The minister should at least set a percentage, for example for a farmer operating a farm on a given reservation but, in any event, I think that more precise provisions are certainly necessary. The minister at least showed his good will by fixing a sum.

The house wants a sum to be determined and an interest rate to be fixed. The minister is on the right track, but I do not think this legislation goes quite far enough in making precise provisions for each particular case.

The hon. member who moved the amendment said that fixing a sum of $100,000 he was considering a reservation equal to three white men. Now, on the basis of the reservation located in my riding, I think that the amount of $100,000 is worth more for a reservation than for three white farmers, because the latters' lands can be mortgaged. As far as Indians are concerned, their lands will not be mortgaged under the law.

I would like to put a question to the minister. He is now discussing with another member, but I would like him to tell me how this amount of $100,000 will be guaranteed.

The bill reads as follows:

> Where an agreement has been entered into pursuant to subsection (1), the Corporation may make loans under this act to farmers and bands—

In my opinion, the terms used are somewhat confusing, because the Farm Credit Corporation will have to secure some guarantees. Could the minister tell me whether it is

the council of the band or the government that will provide the guarantees, in short whether the corporation will lend, as it sometimes does, to the council of the band, so that the latter can accommodate the farmers, or whether it will lend directly to them.

If it lends to farmers, it is strange to read in the bill that:

—the Corporation may make loans under this act to farmers and bands referred to in that subsection without obtaining a first mortgage on farm lands or on farm lands and chattels.

• (9:40 p.m.)

Mr. Chairman, that worries me a bit, and I wonder where the corporation will get guarantees should it make loans directly to the bands. If it makes a loan to the band council, as in the past this money will be managed by the council. I should like the minister to give us some information in this regard.

Concerning the amount now set at $100,000, I feel that the act is not explicit enough; all the reservations should be taken into account. This may be quite suitable in my area, but in the case of large reservations it will certainly not be. I agree with the member who moved the amendment in this regard, and I feel that the minister should give us additional information to throw light on that provision of the act. Otherwise, we shall have to support the amendment. I do not think the department should have the full responsibility of setting the amount of money to be voted for each of the reservations.

I bank on the minister to enlighten us on these matters and if, in the end, we get specific figures, the majority of the members may be satisfied, and the Indians can no longer say that the act is discriminatory.

[*English*]

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I do not want to hold up the passage of this very important bill but I would like to make a few remarks in connection with those clauses that relate to the matter of making money available to Indian people. I also wish to ask the minister a few questions so that he can clarify certain provisions of the bill. I share some of the concern expressed by hon. members on the other side, and I hope that in his remarks the minister will clarify the situation for us.

I would first like to commend the minister and the government for including these changes in the bill. One of the important factors limiting or prohibiting the development of Indian people, and of resources on reservations, has been the lack of available capital from sources that are available to other Canadians. If this capital were available Indians could get into business ventures of their own.

I hope that the changes in this bill are only a beginning in making farm credit sources, provided by federal legislation, available to the Indian people. I hope that the Farm Machinery Syndicates Credit Act, for instance, will receive further consideration from the minister, so that this source of lending will be made available to the Indian people. I hope that consideration will be given also to similar amendments with respect to the Farm Improvement Loans Act. I know that the amending bill has already been passed but I urge that amendments be made so that that source of credit can be made available to the Indian people.

There are some 6 million acres of Indian land in this country, much of it very valuable. Much of it is on the prairies, about which hon. members have talked. Much of it is valuable farmland. I submit that much of it can be developed by the Indian people, if capital were made available to them. If this were done I can assure the minister that many Indians would get into farming ventures on their own.

I believe that Indians must participate in all aspects of Canadian life, whether social, economic or political. In the past there has been too much of a tendency on the part of the Indian people to go to the Indian Affairs branch, and look to it for everything. The Indian Affairs branch must not be all things to the Indian people. The Indian people must have sources of capital and of information available to them, sources that are available to other Canadians. Along this line I believe that the provincial governments also have a responsibility to provide services to the Indian people on the same basis as they are provided to other citizens.

Some of the sources of credit available to other Canadians from the provincial governments should be made available to Indian people. I hope that the Minister of Indian Affairs and Northern Development will pursue this course when dealing with provincial ministers, and that the Prime Minister will pursue it in dealing with provincial premiers, to work out arrangements with the provinces so that they will expedite the provision of services to the Indian people.

This is a must, if we are to succeed as citizens in this country. We must have all the

services made available to us that are available to other citizens. I know that there is a peculiar mortgage position with respect to Indian lands. Here again I commend the minister for taking the action he did in this bill, because I believe that he and the government must take responsibility in guaranteeing certain loans for Indians. We need a time cushion. We need a cushion so that we can develop, and eventually we must reach a position where we can take on the responsibilities that other Canadians share. We must not always be looking to the government and asking what the government can do for us. We must also ask what we can do for ourselves. But before we can do things for ourselves we must have available to us the sources of credit, services and other things that are available to other citizens.

• (9:50 p.m.)

I had not intended to launch into a lecture on this matter tonight, Mr. Chairman. I would like the minister to explain the meaning of subclause (4) on page 5 of the bill, referring to the maximum amount of loans available to an Indian band. Does this refer to the maximum amount available to a band for a band operated project, or does it mean that it is the total amount of money that would be available to a band, including the total amount individual Indian borrowers might borrow?

I said in my opening remarks that I shared some of the concern of hon. members on the other side. I hope that this $100,000 will not be too restrictive. I hope it does not mean that it applies only to individuals within the band. I would hope that perhaps if the Indians could get together and form a co-operative of their own they would have sources of credit available to them for individual projects. I would not like to see them limited in this instance. Perhaps the minister would give us an explanation on these points.

Mr. Olson: I have listened with a great deal of interest to the comments that have been made about clause 6 of the bill now before us. I thank hon. members opposite, and the hon. member for Kamloops-Cariboo on this side, first for their concern and second for their comments. With regard to the matter of including Indians and Indian bands within those qualifying to make an application to the Farm Credit Corporation, first of all I should like to answer the hon. member for Kamloops-Cariboo by saying that subsection (4) of section 17A under clause 6 has exactly the same effect for an Indian band as for any other corporation; that is, the maximum is $100,000. That $100,000 is for an indebtedness by the band as a corporation.

Perhaps the Leader of the Opposition would wait until he hears the remainder of the explanation because it might take some of the smile off his face. Any number of Indians who live on a reserve or belong to a band, if they enter into a corporate entity or indeed into a partnership which is recognized by the Minister of Indian Affairs and Northern Development, may borrow up to an amount of $100,000 for each group.

Mr. Horner: May I ask a question on that very point?

Mr. Olson: Just a moment. The hon. member did not even read this clause before he made his amendment.

Mr. Horner: Mr. Chairman, I rise on a point of privilege. The minister imputed motives to me when he said I had not even read the clause. I was merely rising to ask him a question which would clear up the matter. He said that any group of Indians could become a corporate entity—

Mr. Olson: That is not a point of privilege.

The Chairman: The hon. member rose on a point of privilege but seems now to have shifted to a question. He may either state his point of privilege or wait until the minister has finished before putting his question.

Mr. Horner: Mr. Chairman, I beg your indulgence to bear with me. My point of privilege arose out of the minister's remarks and the fact that he stated I had not even read the clause. In order to make it clear to him, I must pose a question. The minister stated as a matter of fact that any group of Indians could become a corporate entity, but under this clause can a band borrow more than $100,000?

The Chairman: Order, please. I fail to see the point of privilege.

Mr. Olson: Mr. Chairman, I intend to prove what I said a moment ago to the satisfaction of all reasonable people. Three or more Indians who form themselves into a corporate partnership, with the approval under clause 1 of the Minister of Indian Affairs and Northern Development, may borrow up to $100,000 per corporation. If you read subsection (5) you will note that in addition any individual Indian who is a farmer and who qualifies in respect of the security needed by the Minister

of Indian Affairs and Northern Development may borrow up to an amount of $40,000. If the hon. gentleman had read subsection (1) he would have noted—I shall not read it all—the following:

—loans to be made under this Act to farmers who are Indians on reserves and to bands—

I should like the hon. member to take note of the word "and". Then he might look down at subsection (5) where he will note:

The provisions of this act, in so far as practicable, shall apply to all loans made or to be made to farmers and bands—

If he will look further down in subsection (5) he will note this:

—shall be deemed to be a reference to the land that is being farmed or is to be farmed by the farmer or the band.

Mr. Chairman, with all the qualifications within this clause the situation is made completely clear. That was the intent of having it written in that way. All the facilities and services, without any discrimination whatever, will be available to the Indians in the same way they are available to anyone else in this country.

In reply to the hon. member for Kamloops-Cariboo I should say we have placed an upper limit, on any corporation or any entity, of $100,000. That is the maximum amount of credit that any entity can receive from the Farm Credit Corporation. That is precisely the meaning of subsection (4) under the act.

Mr. Horner: May I ask one question, Mr. Chairman.

The Chairman: Order, please.

Mr. Olson: Mr. Chairman—

The Chairman: Order, please. It being ten o'clock—

Mr. Olson: Mr. Chairman, may I ask that the committee rise and request leave to sit until eleven o'clock tonight.

Mr. Horner: If I might, I have one question—

The Chairman: Order, please. Perhaps I might rise, report progress, and then leave could be requested of the Chair at that point. Therefore, shall I rise, report progress and ask leave to sit at the next sitting of the house or later today.

Some hon. Members: Agreed.

Progress reported.

[Mr. Olson.]

Mr. Macdonald (Rosedale): Mr. Speaker, pursuant to standing order 6(6), I should like to move that the house sit for one additional hour.

Mr. Peters: No, Mr. Speaker.

Mr. Deputy Speaker: Does the President of the Privy Council (Mr. Macdonald) have unanimous consent?

An hon. Member: No, Mr. Speaker.

Mr. Macdonald (Rosedale): Mr. Speaker, might I call attention to the fact that under the provisions of standing order 6(6) it is my privilege to move this motion and if the hon. member can get nine other members to join with him he can prevent the house sitting.

Mr. Peters: We know the rules. You do not need to lecture us.

• (10:00 p.m.)

Mr. Macdonald (Rosedale): Perhaps I might be heard.

Mr. Deputy Speaker: Order, please. There is a question as to when this motion should be put and whether it should be put before 10 o'clock. Perhaps I might consult with the learned gentleman in front of me.

Apparently the precedent has been set in the past that a motion must be put before ten o'clock, and failing unanimous consent we will follow the normal procedure.

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, would the government house leader indicate the business for tomorrow?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, we will call again the committee stage of the present bill. After that we will proceed to the resolution preceding the bill dealing with financing of the Canadian National Railways.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

EXTERNAL AFFAIRS—NIGERIA—STEPS TO HALT SHIPMENTS OF ARMS

Mr. Bernard Dumont (Frontenac): Mr. Speaker, on October 17 last I asked the

Secretary of State for External Affairs (Mr. Sharp) the following question:

I should like to ask the hon. Secretary of State for External Affairs whether the $8 million loaned to Nigeria will contribute to pay for the bombs that England sells to that country to murder the Biafrans?

When I ask the Secretary of State for External Affairs a question concerning the possibility for the Canadian government to intervene with England so that it may stop selling arms to Nigeria, he answers me that the right hon. Prime Minister (Mr. Trudeau) has already answered this question. When I put the same question to the Prime Minister, he told me that the Secretary of State for External Affairs had already answered that question. They remind me of Pontius Pilate who washed his hands saying: I am innocent of the blood of that victim.

The Prime Minister and the Secretary of State for External Affairs who will not ask England to stop selling arms are doing the same thing, as well as those opposite who talk and could be heard saying—

An hon. Member: Innocent.

Mr. Dumont: I will repeat the word, Mr. Speaker, because I heard it quite well. They said: Innocent. They are heard saying: We are innocent of the blood of those Biafrans who wanted to preserve their freedom of speech.

Those Biafrans wanted to escape the domination of the federal government that wanted to take over the oil wells located in Biafran territory. The smell of the oil wells of the Shell Company, the supplier of Great Britain which is unable to go through the Suez Canal allow us to realize that 3 million Biafrans are readily sacrificed to take possession of that area which is rich in oil resources.

Mr. Speaker, when a Prime Minister mentions the warmth and the affection between Canadians and Britishers in the introduction to an 8 page article which the *Financial Time* of London devotes to Canada, it is no doubt appropriate to denounce Great Britain for selling arms to Nigeria.

The Prime Minister stated: Canada has borrowed much from Great Britain. We have borrowed from its institutions, its traditions and its people. Whatever may be their origin, all Canadians will remain for ever grateful to Great Britain for what it has lent us.

The warmth and affection which characterize the relations between our two countries, both at the official level and at the individual level, are dear to the Canadian people as much as they are dear I am sure to the British people.

It is not surprising that the Prime Minister and the Secretary of State for External Affairs (Mr. Sharp) would want to disguise the answers given in the house. Together they practise the ostrich policy; they bury their heads up to their ears in the sand so as to pretend that they know nothing of the existing genocide, under the pretext that we cannot support the Biafrans, because that corner of land is not recognized as a state. We will let millions of individuals die so that the Canadian people may remain eternally grateful to England; those hypocrite English whose only concern is to divide to better rule, without any concern at all for the human factor.

Besides, it is a historical fact. No federation established by the English has ever managed to survive because, living on their island, having in that country no worthwhile resources, those British people have to exploit other countries to survive, as they did in Canada and continue to do so now in Biafra.

The federal government of Nigeria, supported right from the outset by the two-faced British government, thought it would be able to bring this war to a happy conclusion in a few weeks, just enough time to humble the oil-possessing Christians.

It started out as an economic blockage, but an invasion quickly followed. That was not a bona fide war. It was, from the very beginning the onrush of a swarm of vandals—as those opposite—destroying anything that stood in their way, killing on sight any Biafran that happened to be there, plundering houses, churches and schools. In a year, Mr. Speaker, the Biafran war made more victims than the seven-year Viet Nam conflict. Why such fierceness? Because they want the Biafran people to disappear completely; 6,000 people die every day and the good Liberals agree to let this slaughter go on. This can be best proved by this article, and I quote:

—the Soviet MIGs, piloted by Egyptians, started to shower English bombs on Biafran towns and villages. Out of 68 raids, only two were aimed at military objectives; the rest of them were released over the civil population.

Small wonder that, in the face of such acts, the population should flees and fall back. Small wonder that, concentrated within an ever shrinking territority, that population should starve to death ... and all this with the complicity of a part of the world, and before the indifference or the helplessness of the other—

Mr. Speaker, let us not be misled in this Biafran affair. We are not asking for the recognition of that small homeland. We want the Canadian government to protest against those countries which continue to sell arms to the Nigerians.

Exactly 34 days ago, I called the attention of the government to this problem. It therefore has on its conscience the death of over two million people assassinated to save the oil wells of England. And that genocide continues with the approval of our good friends across the way, who seem to have no other concern but trying to ridicule serious situations which should be brought to an end without delay. That is why I urge again the Secretary of State for External Affairs to support our request and prevent England from selling arms to the Nigerian federal troops.

• (10:10 p.m.)

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, on behalf of the Secretary of State for External Affairs (Mr. Sharp) who is at the United Nations right now to discuss those various matters, and without agreeing with the many statements made by the hon. member for Frontenac especially about England's participation in the civil war now raging in Nigeria, I want to quote to the hon. member the words of the Prime Minister (Mr. Trudeau): Canada, under international law and within limits that we must respect, as well as within the framework of the United Nations and by means of international contacts, has done everything to put an end, if possible, to that civil war in which we cannot, of course, intervene directly. Besides, that is what the member countries of the Organization of African States have asked.

Thanks particularly to the help of the international Red Cross and to negotiations with Nigeria, the Canadian government does its utmost to give assistance to Biafrans and help them overcome their difficulties.

Mr. Dumont: The government is merely asked to protest against the sale of arms.

Mr. Forest: The hon. member is obviously referring to England. We owe a great deal to England but we are now an independent state and we have our own external policy. We surely cannot intervene in British affairs and they must make their own decisions.

As far as the war is concerned, I think that Canada, as the Prime Minister repeated many times in this house, has done its utmost to give assistance to Biafrans through the international Red Cross. It also endeavoured, through negotiations, to bring the war to an end.

[*English*]

Motion agreed to and the house adjourned at 10.13 p.m.

HOUSE OF COMMONS

Wednesday, October 30, 1968

The house met at 2.30 p.m.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

COST OF RAIL PASSENGER SERVICE IN NEWFOUNDLAND

Question No. 36—**Mr. McGrath:**

What was the cost to Canadian National Railways for providing rail passenger service in Newfoundland for each year from 1949 to 1967 inclusive?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: Pursuant to section 314 I, subsection 3 of the Railway Act, the railway is required to submit, on a confidential basis, concurrently with the filing of an application to discontinue a passenger train service, a statement of costs and revenues of the company attributable to the carriage of passengers by the service as the commission may prescribe. The foregoing requirement was met by the company in connection with its application for authority to discontinue passenger train service between Port aux Basques and St. John's, and by order No. R-507 dated November 6, 1967, the railway transport committee gave notice that it had determined the said passenger train service had incurred an actual loss of $918,000 in the year ended December 31, 1966.

LOANS AND GIFTS TO HYDRO COMMISSIONS

Question No. 96—**Mr. Fortin:**

1. During the past five years, how much did the federal government or Crown Corporations lend to the Newfoundland Hydro-Electric Commission and at what rate?

2. How much was loaned to Hydro Quebec and at what rate?

3. During the past five years, how much did the federal government or Crown Corporations give to the Newfoundland Hydro-Electric Commission?

4. How much was given to Hydro Quebec?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by all departments and crown corporations as follows: 1. (a) $23,020,473.59 at $5\frac{1}{4}$ percent per annum; (b) $9,149,524.15 at $5\frac{7}{8}$ percent per annum.

2, 3, and 4. Nil.

EXECUTIVE CONSULTANTS LIMITED

Question No. 173—**Mr. Coates:**

1. Has the federal government retained the services of Executive Consultants Limited and, if so, what services are they providing and to what department of the federal government?

2. On what financial basis have the services of Executive Consultants Limited been retained, were tenders called and, if so (a) what were the names of the firms that submitted bids and the amounts of each (b) for what reasons were Executive Consultants Limited selected, and (c) what is the total amount of their contract or contracts and for what period of time does this contract or contracts cover?

3. What are the names of the principal officers of Executive Consultants Limited and what are their principal occupations?

4. Does the firm of Executive Consultants Limited still use the telephone numbers of the office of the Prime Minister and office of the Minister of Transport and, if not, on what date did this firm discontinue the use of these telephone numbers and for what reason?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by all departments as follows: 1. No.

2. Not applicable.

3. Since this part of this question deals with matters not connected with the government, no authoritative reply can be made.

4. The firm has never made or received telephone calls through either the office of the Prime Minister or the office of the Minister of Transport.

*RURAL MAIL CARRIERS

Question No. 201—**Mr. Rynard:**

1. How many persons are employed as rural mail carriers in Canada?

2. How many rural mail carriers were prevented from carrying out their duties during the recent postal strike?

3. What rate of pay was received by the rural mail carriers for standing by ready to work during the recent postal strike?

4. What was the reason, if any, why some post offices were closed to the rural mail carriers, while others remained open, during the postal strike?

Questions

5. Will the Minister not give further consideration to the compensation of rural mail carriers for the loss of time suffered during the postal strike?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the answer to this question is in five parts.

1. There are 5,546 rural route contracts in Canada.

2. Contractors for 971 rural routes were prevented from carrying out their duties during the postal strike.

3. None.

4. No postal service, including rural mail delivery, was provided at offices that were on strike. At offices that were not on strike, postal service continued in the usual manner to the extent possible.

5. The department's position has been reconsidered and regular payment will be made for the period during which the service was interrupted, less the normal operating expenses which were not incurred while the service was not performed.

FEDERAL BUILDING, BRIDGEWATER, N.S.

Question No. 254—**Mr. Crouse:**

1. Has the government decided on a site for a proposed federal public building in Bridgewater, Nova Scotia?

2. If so, what is the area and boundary of the site selected?

3. What amount of money has been allocated for this building?

4. On what date is it anticipated to call tenders for construction of this building?

Hon. Arthur Laing (Minister of Public Works): 1. No.

2. Not applicable.

3. An amount of $100,000 is in the 1968-69 main estimates of the Department of Public Works for this project.

4. Providing a decision on a site is made in the near future, plans should be ready for tender call in the summer of 1969.

PAYMENTS BY U.S. UNDER COLUMBIA RIVER TREATY

Question No. 260—**Mr. Harding:**

1. (a) How much was paid to the Canadian Government by the United States in 1964 for the 30-year sale of Canada's share of the downstream benefits under the Columbia River Treaty (b) was this total amount transmitted to the Province of British Columbia for construction of the treaty projects?

[Mr. Rynard.]

2. (a) What is the total amount to date, if any, paid to the Canadian Government subsequent to 1964 by the United States for flood control benefits (b) was this total amount transmitted to the Province of British Columbia and, if so (c) on what dates and in what amounts?

3. (a) What is the total amount, if any, which will be paid to the Canadian Government by the United States for future flood control benefits (b) when and in what amounts will these payments be made (c) will these payments be transmitted to the Province of British Columbia?

4. What is the total amount, to date, remaining in the Columbia Treaty Fund, including interest?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Energy, Mines and Resources as follows: 1. (a) $253,929,-534.25 in United States funds; (b) Yes, $273,291,661.24 in Canadian funds.

2. (a) $63,398,000 in United States funds; (b) Yes; (c) November 22, 1967—$11,929,-031.25 in Canadian funds. September 17, 1968—$212,540.63 in Canadian funds. October 10, 1968—$55,909,812.50 in Canadian funds.

3. (a) and (b) $1,200,000 (US) upon commencement of operation of the Mica dam; $1,875,000 (US) for each of the first four calls by the United States for the flood control operation of storage not involved in the basic flood control payments; (c) Yes.

4. Under the Canada-British Columbia agreement of 8 July 1963 the province undertook to finance the Columbia river treaty projects in Canada. Disclosure of information on the current status of the Columbia treaty fund is therefore the responsibility of the province.

PETITCODIAC CAUSEWAY, NEW BRUNSWICK

Question No. 266—**Mr. Thomas (Moncton):**

1. What has been the extent of the financial participation in the Petitcodiac Causeway of (a) the federal government (b) the Government of the Province of New Brunswick (c) the City of Moncton?

2. What is the estimated total cost of the Causeway, and what amount has been spent to date?

3. What was the original completion date of the Causeway, and on what date will it now be completed?

4. Have investigations been initiated into problems of silting as it affects navigation and, if so, what have been the results of such investigations?

5. Have investigations been initiated into fish losses as a result of (a) silting, or (b) insufficient flow of water through the fishway and, if so, what have been the results of such investigations?

6. Have investigations been initiated into problems of pollution in the waters above the Causeway, and is any assistance planned re sewage disposal?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Forestry and Rural Development, Fisheries and Energy, Mines and Resources as follows: 1. (a) $646,-648; (b) $1,994,665; (c) Nil.

3. Original completion date not set. The definite date for completion is unknown at this time.

4. No.

5. A Department of Fisheries team is investigating the passage of fish at Petitcodiac causeway. Studies are being made to determine if adjustments to the fishway are required. Low water has been a problem to migrating salmon runs throughout the Maritimes during 1968, due to the unusually low rainfall.

6. No.

SPACE LEASED FOR CAREER ASSIGNMENT PROGRAM, SMITHS FALLS

Question No. 315—**Mr. Nesbitt:**

1. Has the Public Service Commission rented or leased space in Tops Marina Motor Hotel in Smiths Falls for its Career Assignment Program?

2. If so, how many floors, suites, rooms?

3. What are the terms of the lease, or the amount of rental?

4. What realtor or other agency was instrumental in arranging the rent or lease, and for what service fee?

5. Did the Commission spend any public funds on renovating, refurbishing, redecorating or furnishing this space?

6. If so, what was spent on redecorating on chairs, tables, rugs, drapes and other appointments?

7. Did the Commission find it necessary to make this expenditure on leased or rented quarters and, if so (a) for what reasons (b) what adjustment in their charges did the proprietors make in compensating the Treasury for this investment?

8. Is there a bar on the premises rented or leased by the Commission; was it formerly available for public use, and is it now confined to the exclusive use of the Civil Servants taking the Career Assignment Program course?

9. Could not the required accommodation have been provided in federal buildings in Ottawa, and why was it necessary to undertake the program in Smiths Falls?

10. Where do the majority of Civil Servants attending these career courses work and live, in Ottawa and Hull, or in Smiths Falls?

Hon. Gérard Pelletier (Secretary of State): I have been given the following information by the Public Service Commission: 1. Yes.

2. 48 rooms.

3. Room rentals for 40 rooms have been pro-rated to include meals and 8 rooms for use as office, library, seminar rooms, lecture room, dining room and lounge at a rate of $20.00 per night, Monday to Friday and $11.75 per night for Saturdays and Sundays.

4. Arrangements were made directly between the Public Service Commission and the manager of the Tops Marina Motor Hotel. No service fee was involved.

5. The Public Service Commission undertook the furnishing of the classroom, office, library and seminar rooms.

6. No funds were used for redecorating. Furnishing costs were for chairs (56) $5,584.58; tables (32) $2,362.80; rug $1,422.20; drapes $510.00; and office and library furniture $796.80.

7. Yes. (a) Due to the special nature of certain rooms which were used as classroom, library, office and seminar rooms. As an example, a rug and wall drapes were necessary for acoustical purposes. (b) No adjustment in charges were arranged as the furnishings are installed for the duration of the lease only and will be utilized in any new location and in no way benefit the motor hotel owners.

8. The space leased to the commission for dining purposes was formerly a cocktai lounge and contains a small bar facility.

9. No. A residence situation is necessary for this type of course and the location was chosen following an extensive survey of accommodation available within reasonable distance of Ottawa.

10. The majority of civil servants on the present course live in the Ottawa-Hull area.

COMPANY OF YOUNG CANADIANS—WORK IN BIAFRA

Question No. 316—**Mr. Coates:**

1. What assistance, if any, has the Company of Young Canadians provided to the people of Biafra?

2. Have any of the members of the Company of Young Canadians volunteered to go to Biafra to assist in the distribution of food and in any other manner and, if so, how many have gone to Biafra and how many have volunteered to go to Biafra?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Company of Young Canadians as follows: 1. None.

2. No.

CANADA PENSION PLAN STAFF

Question No. 329—**Mr. Coates:**

1. What is the present strength of the Canada Pension Plan staff and has the staff been reduced in the past year?

Questions

2. Of the present staff, how many are earmarked to deal with claims for survivor benefits under the plan?

3. How many claims have been received to date for survivor benefits and of that number how many have been processed and what has been the length of time required to process a claim for survivor benefits?

4. Has the department received complaints from claimants as to the length of time required to process a claim?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The present strength of the Canada Pension Plan administration, including the head office and district offices is 385. This number has not been reduced in the past year.

2. Persons on staff in the claims section at head office are not exclusively assigned to the processing of applications for survivors' benefits. All applications, whether for retirement pensions or survivors' benefits, are processed as they are received. At present, some 25 employees are directly involved in the processing of applications at head office. However, assistance is also provided by field officers and others.

3. The distribution of applications for survivors' benefits is as follows:

	Received	In Pay
For death benefit	7,054	3,611
For survivors' benefits (widows and orphans)	6,834	2,828

The period required to process a survivor's application, that is, from the time it is first received until it goes into pay is, on the average, about three months. A considerable amount of documentation is required, including proof of the death of the contributor, proof of his contributory earnings, proof of the dates of birth of the contributor and his survivors, proof of marriage, and proof of school attendance for orphans 18 years of age or more. It might also be noted that under the legislation the payment of benefits is made at the end of a month. Accordingly, an application may be approved at the first of a month but the cheque would not be issued until the end of that month. Survivors' benefits first became payable in February 1968. Retroactive payments are made when applicable.

4. Some inquiries regarding the length of time required for the processing of a claim have been received at district offices. Where delays beyond the normal have occurred, they are usually related to difficulties encountered in obtaining necessary acceptable documentary evidence to establish entitlement to benefits. Full explanations are provided whenever necessary.

[Mr. Coates.]

*TIME LOST THROUGH STRIKES AND ILLNESS

Question No. 392—**Mr. Mather:**

In 1967, how many days labor were lost by Canadian workers as a result of (a) strikes (b) illness?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am informed by the Departments of Labour and National Health and Welfare as follows: (a)

	Man-days lost in 1967
Federal jurisdictions	
I.R.D.I. Act (Public service excluded)	172,000
Not under I.R.D.I. Act	1,610
Provincial jurisdictions	3,871,450
Total—all jurisdictions	4,045,060

(b) Information not available.

MAIL HANDLING, MOOSE JAW

Question No. 428—**Mr. Skoberg:**

1. Has there been any change in the distribution in Mail Service as it pertains to the City of Moose Jaw?

2. Is there any mail that was previously sorted at Moose Jaw, now going through to Regina for sorting purposes?

3. Has the equipment for mail handling been removed from the C.P.R. station at Moose Jaw and, if so, for what reason?

Hon. Eric W. Kierans (Postmaster General):

1. Yes.

2. Yes.

3. Yes—no longer required.

FEDERAL SUPPORT FOR FILM SOCIETIES, ETC.

Question No. 429—**Mr. Roberts:**

Does the Government of Canada provide any financial support for film societies, film museums or cinematheques in Canada and, if so, what has been the amount expended for this purpose for each year since 1963?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: Nil.

FARM CREDIT LOANS, RICHMOND CONSTITUENCY

Question No. 439—**Mr. Beaudoin:**

Since 1962, and for each subsequent year up to the present, how many loans were granted by the Farm Credit Corporation in the federal constituency of Richmond, and for what amounts?

Hon. H. A. Olson (Minister of Agriculture): The Farm Credit Corporation advises that statistical records are maintained on a municipal county basis and are not available on an electoral basis. For the two complete municipal counties (Richmond and Wolfe) in the electoral district of Richmond, the answer is:

Year	No. of Loans	Amount $
1962-63	52	657,100
1963-64	44	451,900
1964-65	65	834,800
1965-66	53	702,900
1966-67	74	993,500
1967-68	63	935,000
April 1/68-Sept. 30/68	45	865,080

OLD AGE PAYMENTS, LAKESHORE CONSTITUENCY

Question No. 445—**Mr. Robinson:**

1. How many persons received (a) Old Age Pensions (b) Old Age Assistance benefits in the federal constituency of Lakeshore in the years 1965, 66, 67, 68?

2. What is the average amount paid under the Old Age Assistance Act in this constituency for the same years?

3. How many persons receiving Old Age Pensions in this constituency are aged: 65-69, 70-74, 75-79, 80-84, 85-89, 90-94, 95-99, 100 and over?

Hon. John C. Munro (Minister of National Health and Welfare): 1. (a) Statistics concerning old age security are kept on a provincial basis only. It is therefore not possible to answer this part; (b) Statistics concerning old age assistance benefits are kept on a provincial basis only. It is therefore not possible to answer this part.

2. See 1 (b) above.

3. See 1 (a) above.

ROADS TO RESOURCES, NORTHERN ALBERTA

Question No. 463—**Mr. Yewchuk:**

Is it the intention of the federal government to (a) resume the Roads to Resources Program in Northern Alberta within the next two years (b) construct that segment which falls within the boundaries of Wood Buffalo Park?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Energy, Mines and Resources as follows: (a) No. The decision to discontinue this cost-shared program upon its completion was conveyed to the federal-provincial tax structure committee by the Minister of Finance in September 1966. (b) No information.

FEED GRAIN ASSISTANCE

Question No. 468—**Mr. Harding:**

1. What was the total amount paid by the federal government for freight assistance on feed grains shipped to markets in Canada?

2. What was the total amount of freight assistance to each province and how many tons of feed grains were shipped to each province under this plan?

3. How much of the total tonnage involved was shipped through the Canadian Wheat Board?

4. Does freight assistance for feed grains apply to both truck and rail shipments in every part of Canada?

Hon. H. A. Olson (Minister of Agriculture): 1. Total amount of federal feed freight assistance paid on feed grains, shipped during crop-year 1966-67, is $20,600,863.15.

2. Total freight assistance paid and tonnage shipped to each province for crop-year 1966-67 follows:

	Freight Assistance Paid $	Tonnage Shipped
Ontario	4,724,636.91	893,560.1
Quebec	9,992,117.23	1,299,831.0
Nova Scotia	1,770,123.23	148,821.7
New Brunswick	998,408.49	77,260.7
Prince Edward Island	442,339.53	29,879.5
Newfoundland	467,088.12	23,172.6
British Columbia	2,206,149.64	246,425.7

3. Total tonnage of wheat, oats, and barley, shipped to each province under this program, marketings of which are under the jurisdiction of the Canadian Wheat Board: Ontario, 661,296; Quebec, 988,875; Nova Scotia, 107,058; New Brunswick, 44,808; Prince Edward Island, 18,992; Newfoundland, 17,767; British Columbia, 56,253.

4. Yes. Truck and rail shipments have been included in the program in eastern Canada since 1964. Trucking was included in the British Columbia program in July of this year.

FEED GRAIN ASSISTANCE, CRESTON, B.C.

Question No. 469—**Mr. Harding:**

1. What does the federal government pay on freight assistance for feed grains being shipped to the Creston area of British Columbia from areas (a) outside the province (b) within the province?

Questions

2. Does the federal government pay any freight assistance for feed grains being shipped out of the Creston area and, if so, what are the amounts; if not, for what reason has this feed grain exporting area been excluded from these payments?

3. Is a review of the feed grain assistance rates for the Creston area under active consideration and, if so, when will a decision be handed down; if not, will the matter be reviewed this year?

Hon. H. A. Olson (Minister of Agriculture):
1. (a) $9.80 per ton; (b) $9.80 per ton.

2. No. The provincial government pays assistance on shipments out of the Creston area.

3. Yes. This matter is under consideration and some changes may be made within a month.

FEED GRAIN ASSISTANCE, BRITISH COLUMBIA

Question No. 470—**Mr. Harding:**

1. Does the federal government pay any freight assistance on feed grains shipped to markets in British Columbia from areas (a) outside the province (b) within the province and, if so, what areas are included?

2. Is the Province of British Columbia divided into zones for freight assistance payments and, if so, what are these zones and what is the freight assistance paid for feed grain shipments to each from areas (a) outside the province (b) within the province?

3. Are freight assistance payments made on feed grains shipped by (a) rail (b) truck, from both outside and within the province?

4. Does the freight assistance on feed grains from outside and within the province apply to sales both through the Canadian Wheat Board and outside it?

5. Is there any additional freight assistance by way of moving feed grain within the province and, if so, what is it?

Hon. H. A. Olson (Minister of Agriculture):
1. (a) Yes. (b) Yes. The Peace river area.

2. For freight assistance payments, the province of British Columbia is divided into 9 zones:

Zone No.	Rates per ton $
1—Southern interior	9.80
2—Lower mainland	10.00
3—Vancouver island	11.60
4—Cariboo-Chilcotin	9.80
5—Central interior east	5.60
6—Central interior west	8.80
7—North-West	11.00
8—Lower coast	13.00
9—Central coast and Queen Charlotte islands	15.60

(a) and (b) Same rates apply.

[Mr. Harding.]

3. (a) and (b) Yes.

4. Yes, however for feed grain from outside the province and outside of the wheat board, the assistance applies only on millfeeds, corn and rye which do not come under the jurisdiction of the Canadian Wheat Board.

5. The provincial government has a policy whereby freight assistance is provided on the transportation of feed grains from the Creston-Wynndel area to the consuming areas of British Columbia.

IMPORTS OF EDIBLE OILS

Question No. 487—**Mr. Danforth:**

1. What quantities of edible oils, by type (soya bean, sunflower, safflower, corn, etc.), have been imported into Canada for each month of 1968 through September with country of origin?

2. What is the name of the firm or firms and companies importing this edible oil and what was the quantity imported by each of them?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: 1. The following commodity classes record the imports of the principal edible oils: 393-20, corn oil; 393-24, cottonseed oil; 393-40, olive oil; 393-52, peanut oil; 393-60, soya bean oil; 393-64, sunflower seed oil; 393-85, vegetable cooking fats (except shortening) and packaged salad oils.

Statistics showing the quantity of imports recorded in the above mentioned classes, by country of consignment, for the months January to July, 1968, have been published in the monthly catalogue No. 65-007—"Trade of Canada, Imports by Commodities". The publications are obtainable from the Queen's Printer, Ottawa, and are available for reference in all public libraries and in the Library of Parliament.

Import statistics recorded in the above noted classes for the month of August, 1968, are given in the attached table.

Statistics are not yet available for the month of September, 1968.

2. The Dominion Bureau of Statistics does not compile lists of names and addresses of firms or companies importing goods into Canada. Data on quantities imported by firms or companies are not available.

Imports of the Principal Edible Oils, by Country of Consignment, for the Month of August 1968.

Commodity Class Number	Description	Country	Quantity Cwt.	Totals Cwt.
393-20	Corn oil	Netherlands	6,068	
		United States	8,076	14,144
393-24	Cottonseed oil	United States	4,824	4,824
393-40	Olive oil	France	134	
		Greece	859	
		Italy	1,672	
		Portugal	96	
		Spain	1,031	
		United States	298	4,090
393-52	Peanut oil	Nigeria	29,120	
		Hong Kong	66	
		United States	413	29,599
393-60	Soya bean oil	United States	29,169	29,169
393-64	Sunflower seed oil	Netherlands	6,614	6,614
393-85	Vegetable cooking fats (except shortening) and packaged salad oils	United Kingdom	265	
		Sweden	504	
		United States	667	1,436

TESTS CONDUCTED AT SUFFIELD RESEARCH STATION

Question No. 528—**Mr. Saltsman:**

1. Of the work done at Suffield by DCBRL, how many tests are conducted annually at the request formally or informally of (a) the United States (b) the United Kingdom (1965-67) and what is the percentage of such requests?

2. How many reports were at the request of (a) the United States (b) the United Kingdom?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1 and 2. None. The program at the Defence Research Establishment Suffield is developed on the basis of exchange of information and of statements of requirements of common interest to all three countries. Although United States and British agencies may undertake to contribute to, or participate in, tests, the tests are only carried out when they constitute part of, or have a direct impact on, the Canadian program.

PROFESSIONAL PERSONNEL, SUFFIELD RESEARCH STATIONS

Question No. 529—**Mr. Saltsman:**

How many professional personnel are present at DCBRL on the average day at Suffield and, of these, how many are paid by (a) the United States Government or one of its agencies or contractors (b) the United Kingdom (1965-67) or one of its agencies or contractors?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): On the assumption that "DCBRL" at Suffield is intended to mean the Defence Research Establishment, Suffield, Alberta, the total number employed there is 37. None of these are paid by (a) or (b). However, from time to time, scientific employees of the United States government or its agencies, and of Britain or its agencies, are present at the establishment for conferences or participation in work of mutual interest.

AVAILABILITY OF DEFENCE RESEARCH REPORTS

Question No. 531—**Mr. Saltsman:**

Of the work done at Suffield by DCBRL, what percentage of reports are available to (a) the United States (b) the United Kingdom (c) any interested member of the Canadian public (d) other members of NATO (e) France (1965-67)?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): On the assumption that "DCBRL" stands for the

Defence Research Establishment Suffield and Defence Chemical, Biological and Radiation Establishment Shirley's Bay, the release of reports is determined largely by the extent of mutual interest and the limits imposed by international agreements concerning the inclusion of another country's data in Canadian reports. The approximate percentages are (a) and (b), 98 per cent; (c) 52 per cent; and (d) and (e) 75 per cent.

*TRAINING OF NIGERIANS AS OFFICER CADETS

Question No. 532—**Mr. MacLean:**

1. Do the Canadian Forces currently train Nigerians as Officer Cadets and, if so, what are the terms of reference of this training?

2. How many Nigerians were trained as Officer Cadets in Canada in 1963, 1964, 1965, 1966, 1967 and 1968?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, the answer is in two parts, as follows: 1. No officer cadet training for Nigerians has been conducted since April 1965.

2. Of the 41 officer cadets who came to Canada in 1962 and 1963, 34 completed their courses and graduated.

ILLNESSES AT DEFENCE RESEARCH STATIONS

Question No. 541—**Mr. Saltsman:**

1. In the last three years, has anybody working at the DCBRL at Shirley's Bay or at the Suffield Experimental Station become ill or injured as a result of contact with the agents being developed or tested there and has anybody died from these injuries or illnesses?

2. What agents were involved?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. No.

2. Not applicable.

U.S. REPORTS RECEIVED BY DEFENCE RESEARCH BOARD

Question No. 543—**Mr. Saltsman:**

What percentage of the reports prepared by the United States biological warfare researchers at Fort Detrick in the year 1967 were received by the Defence Research Board and what percentage of the classified reports does this constitute?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): The number of reports prepared by the United States biological warfare researchers at Fort Detrick in the year 1967 is not known.

[Mr. Groos.]

TAX ADVANTAGES OF PRIVATELY OWNED COMPANIES

Question No. 546—**Mr. Saltsman:**

Do any privately-owned companies in Canada enjoy a tax advantage similar to that of the Newfoundland Refining Co. and, if so (a) what companies (b) where do they operate (c) who are the major shareholders (d) what is the nature of each such arrangement?

Hon. Jean-Pierre Côté (Minister of National Revenue): No.

*BENEFIT TO MILK PRODUCERS THROUGH BUTTER PRICE INCREASE

Question No. 558—**Mr. Lambert (Bellechasse):**

Has the Minister of Agriculture or the Canadian Dairy Commission taken any steps to ensure that industrial milk producers will receive the full benefit of the recent increase of two cents per pound in the retail price of butter and, if not, who will benefit by this increase?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the answer to the question is as follows. The federal government does not have authority to fix prices to producers within a province. This authority rests with the provinces.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PROPOSED REFITS OF GOVERNMENT SHIPS

Question No. 17—**Mr. Crouse:**

1. What are the names of all government ships due for refit in all government departments from September 1, 1968 to March 31, 1969?

2. What is the estimated amount to be spent on these ships during this period?

3. Will competitive bids be called for this work, or will the ships be regionally allocated to relieve unemployment in depressed areas?

Return tabled.

CRIMES INVOLVING DEATH

Question No. 400—**Mr. Coates:**

1. Of the total number of crimes committed in each of the years from 1960-67, inclusive, how many involved the death of one or more persons?

2. What is the breakdown of crimes committed that resulted in the death of one or more individuals, by provinces, and how many of these crimes have resulted in the laying of charges of either manslaughter, non-capital murder or capital murder in each of the years from 1960-67, inclusive, and how many of these crimes remain unsolved at the present time?

Return tabled.

CRIMES COMMITTED

Question No. 402—**Mr. Coates:**

1. What has been the total number of crimes committed in each of the years from 1960-67, inclusive of what is the breakdown by provinces and territories?

2. Of the total number of crimes committed in each of the years from 1960-67, how many have resulted in charges being laid against one or more individuals and of the total number of charges laid, how many resulted in convictions?

3. Of the total number of crimes committed in 1960, how many remain unsolved at the present time?

Return tabled.

RECIDIVISTS IN CANADA

Question No. 526—**Mr. Robinson:**

1. What was the total number of (a) indictable (b) summary offences, by province, tried in Canada in each of the last five years?

2. How many recidivists, by province, are there in Canada with more than 2, 3, 4, 5, or more convictions for (a) indictable (b) summary offences?

3. How many recidivists, by province, are there in Canada with more than 2, 3, 4, 5, 6, 7, 8, 9, 10, or more criminal convictions?

Return tabled.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in connection with the answers to questions I would point out that the answers to two questions of mine have been held back in a manner that is inexcusable and constitutes, in my opinion, a contempt of parliament. The first question—and I referred to it the other day—is No. 57. On September 13, which was a month and 17 days ago, I asked the following question:

How many Liberal members of the last parliament and Liberal candidates in the last election have been appointed to positions in government, civil service, or to government boards since 25th June?

There can be no excuse for the failure to answer that question, except that the Secretary of State is not doing his duty but is flying kites outside the House of Commons.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The second question to which I refer is No. 275, as follows:

In the report of the Company of Young Canadians for 1967-68 there is an item that $489,019 was expended for consulting and professional fees during the year.

What are the names and addresses and amounts paid to each of the recipients of such payments?

I asked for that information in the month of July, and the answer was that the group had the answer but would not give it, even if it was in the annual report of the Company of Young Canadians, until parliament asked the question. Surely, sir, a matter such as this, with regard to which the government is in possession of the fullest information, should not be the subject of a denial of the answer to this House of Commons. In this respect there should not be a delay for a very long period of time because, after all, those who occupy positions such as the head of the Company of Young Canadians cannot act as sawdust Caesars toward parliament and its requests.

Some hon. Members: Hear, hear.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I am much obliged to the right hon. gentleman for having raised the matter of question No. 57. As the house knows, it is within the competence of members under the rules of this house only to address questions within the administrative responsibility of the government, and I am glad to have the opportunity of bringing to the attention of the house difficulties which have arisen with regard to both this question, to question No. 71 in the name of the hon. member for Cumberland-Colchester North (Mr. Coates), and question No. 155 in the name of the hon. member for Kenora-Rainy River (Mr. Reid).

In relation to question No. 57, neither candidates for election to the House of Commons nor members of the house are required to declare a party affiliation.

Some hon. Members: Oh, oh.

Mr. Hees: Now we have heard it all.

Mr. Speaker: Could we have order, please.

Mr. Macdonald (Rosedale): Consequently there is no record—

Mr. Hees: Even your own members are laughing at you.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): I wonder, Mr. Speaker, whether hon. gentlemen wish to hear the answer. Consequently there is no record under the administrative responsibility of the government of Canada from which an answer to this question—that is, No. 57—can be drawn.

In relation to question No. 155, since persons appointed to the Senate, the bench, federal government boards, commissions, agencies, etc., are not required to declare whether they have ever been candidates in federal elections, there is no record under the administrative responsibility of the government of Canada from which an answer to this question can be drawn.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): In relation to question No. 71, part 2 of this question raises the same problem as does question No. 155. I am having prepared a reply to part 1 of question No. 71. My hope is that it will give most of the information sought by question No. 57, and I hope to be in a position to answer that on Monday.

Mr. Diefenbaker: Mr. Speaker, while all of us will believe the hon. gentleman when he says he has no idea as to whether they were Liberal candidates of former members appointed, all I can say is that this is in accord with the abolition of patronage in advance of the announcement made by the Prime Minister (Mr. Trudeau); but that does not apply to question No. 275. I do not think I have the answer of the house leader to that question. Certainly all these specious and implausible arguments he has advanced cannot apply to the delay in answering that question, even though it is going to be embarrassing to some of those who sit opposite.

Mr. Macdonald (Rosedale): Mr. Speaker, the right hon. gentleman has misconstrued my remarks with respect to question No. 57, as he will see when he examines the record tomorrow. With regard to question No. 275, I will take that up with my colleague.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I rise on a question of privilege with regard to the questions put on the order paper.

On September 12 last, I put the following question on the order paper and I quote:

1. During the past three years, which judges of the Superior, District and County Courts, as referred to in Section 96 of the BNA Act, have been appointed to extra-judicial functions, such as sitting on Royal Commissions, and advisory committees?

Mr. Speaker, it seems to me it should have been possible to reply to that question earlier. I put that question on the order paper almost two months ago and it has yet to be answered. It should not take that long to find out how many judges have sat in these various capacities.

[*English*]

Mr. Macdonald (Rosedale): Mr. Speaker, I shall be glad to bring this to the attention of my colleague to see if we can get an answer at an early date.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions Nos. 8, 12, 17 and 26 are agreeable to the government, subject to the usual reservations with regard to confidential papers and authorization from government authorities concerned.

Would Your Honour be good enough to call notice of motion No. 18?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

NEWFOUNDLAND—DISCONTINUATION OF RAILWAY SERVICE

Motion No. 8—**Mr. Peddle:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all letters and other communications between the Government of Canada or any of its representatives, and the Government of Newfoundland or any of its representatives, relating to the proposal of the C.N.R. to discontinue rail passenger service in Newfoundland and the decision of the Canadian Transport Commission in relation thereto.

Motion agreed to.

DEVELOPMENT OF ROBERTS BANK PORT

Motion No. 12—**Mr. Rose:**

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 Government of Canada, any Minister or Department thereof, the Canadian Transportation Commission, the Canadian National Railways and the Government of British Columbia and the British Columbia Hydro and Power Authority, relating to the joint Federal-Provincial Development of the Roberts Bank Port in British Columbia, dated since January 1, 1967.

Motion agreed to.

RAIL ROUTE TO ROBERTS BANK

Motion No. 17—**Mrs. MacInnis (Vancouver-Kingsway):**

That an Order of the House do issue for a copy of all letters and other communications in the

possession of the government dated since January 1, 1966, concerning the British Columbia Hydro rail route from the Matsqui area to Roberts Bank.

Motion agreed to.

CONSTRUCTION CLAIMS, GREAT SLAVE LAKE RAILWAY

Motion No. 26—**Mr. Schreyer:**

That an Order of the House do issue for a copy of all documents and correspondence exchanged between any federal department or Crown corporation and Mr. McDonald, lawyer, of the City of Regina, relative to the claims against the C.N.R. made by any one of the construction firms engaged in the construction of the Great Slave Lake Railway.

Motion agreed to.

JOINT DEVELOPMENT OF ROBERTS BANK

Motion No. 18—**Mr. Rose:**

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, memoranda and other communications received by any member of the administration and prepared by any person in the Public Service of Canada since January 1, 1967, relating to the joint Federal-Provincial development of the Roberts Bank Port in British Columbia, including any railways connected thereto.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I rise on behalf of the Minister of Transport. I think the hon. member will appreciate that this motion relates to correspondance between public servants, who are advisers to the minister, and the government. This type of correspondence has always been claimed to be privileged and not to constitute a public document. For these reasons I wonder if the hon. member would be prepared to withdraw his motion.

Mr. Mark Rose (Fraser Valley West): No, Mr. Speaker. If there is going to be any argument about this I prefer to have the motion transferred for debate.

Mr. Speaker: Motion No. 18 is transferred for debate pursuant to standing order 47.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, motion No. 24 was on today's list, and I was asked by the hon. member for Skeena (Mr. Howard) to move it on his behalf.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, in view of the absence of the hon. member I wonder if it could be allowed to stand for another day so I might have an opportunity of discussing it with him.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Inquiries of the Ministry

HEALTH AND WELFARE

MEDICARE—PREMIUM REDUCTIONS BY PROVINCES RECEIVING FEDERAL CONTRIBUTIONS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Finance. Is it the policy of the government that a province which is receiving a contribution from the federal government toward the cost of its medicare program ought to reduce any premiums charged by it, and thus pass along the federal contribution to the subscribers?

Hon. E. J. Benson (Minister of Finance): It would be the sincere hope of this government, Mr. Speaker, that our contribution toward medicare would be reflected in a reduction of the premiums that are paid by Canadians for medicare rather than having the funds used for other purposes.

Mr. Stanfield: A supplementary question, Mr. Speaker. Has any province which has entered into an agreement with the federal government been asked to undertake such a reduction in its premiums?

Mr. Benson: I do not believe we have the legal right, under the medicare act, to require the provinces to do this sort of thing. However, I would sincerely hope it is their desire to pass on this saving to their constituents.

Mr. Stanfield: Was there ever any request made or agreement or understanding reached in a federal-provincial conference between the provinces and the government of Canada that the provinces would reduce any premiums in this regard?

Mr. Benson: No, but we believe the provincial authorities will be honest and decent toward their own electors.

Mr. Stanfield: I simply want an answer to my question. I take it the answer is no. I have a further supplementary question. Is it the policy of the government of Canada to direct the provinces as to how they should or should not raise their revenues?

Mr. Benson: Mr. Speaker, the hon. gentleman obviously knows the answer to that question. The raising of revenues within a province is the responsibility of the province. However, we trust that in the case of medicare, when so much has been said about how much it is going to cost the people of Canada,

at least the provinces will treat their own constituents fairly in this matter.

Mr. Stanfield: My last supplementary question, Mr. Speaker, is this. Does the Minister of Finance really consider he is in a position to judge whether a province is treating its people fairly?

Mr. Speaker: Order. The last question naturally is not in order.

ATLANTIC DEVELOPMENT BOARD

INQUIRY AS TO POSSIBLE CHANGE IN STATUS

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Minister of Forestry and Rural Development, and ask him whether he is in a position to inform the house about the plans he has made with regard to the function and place of the Atlantic Development Board.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, if the constitution and the role of the Atlantic Provinces Development Board are to be modified, this will be done when the bill to create the department is examined.

[*English*]

Mr. Lewis: A supplementary question. In view of the general statement the minister is reported to have made last night in Halifax, I think, is the minister in a position to tell this house something I have asked him on previous occasions, namely what establishments he is setting up and what plans are in progress for dealing with regional disparity, so that members of this parliament may know what is in store in this field?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, that question is of such a general nature that it would be simpler, in my opinion, for me to send a copy of my speech to the hon. member for York South. He will then understand what it is all about.

[*English*]

Mr. Lewis: I have a further supplementary question. In view of the fact that the issue is obviously very important, and my reading of the minister's speech last night will not help members of this house to know what plans there are to deal with the basic problem of regional disparity, when will the minister be in a position to tell parliament what his plans are?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, as soon as we are in a position to introduce in the house a bill or legislation creating the new department, we will be able to state clearly what we intend to do.

[*English*]

Mr. Lewis: A final supplementary question, Mr. Speaker. Can the minister inform the house when that date will be; this year, next year or some time in the far future?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the answer depends in part on the members opposite; so, I cannot tell.

[*English*]

RESEARCH

REQUEST FOR ADDITIONAL AID TO INDUSTRIAL RESEARCH

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): I should like to direct a question to the Minister of Finance, Mr. Speaker. Since both the president of the National Research Council and the President of the Treasury Board, who of course until recently was minister of industry, have recently stated publicly they feel Canada must greatly increase its volume of industrial research in order to remain a competitive industrial nation, does the government plan in the near future to inntroduce measures which will induce this necessary and very large increase in industrial research in Canada?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the hon. gentleman knows, of course, of the great help we are giving to industrial research in Canada at the moment through grants.

Mr. Hees: But, Mr. Speaker, is the minister not aware that both the president of the National Research Council and his colleague the President of the Treasury Board have said in so many words that what we are presently doing is not nearly enough to induce this necessary increase in industrial research?

Mr. Speaker: Order, please.

Mr. Hees: I suggest that the minister should better inform himself.

Mr. Speaker: Order.

[*Translation*]

AIRPORTS

VAL D'OR, QUE.—INQUIRY AS TO OPENING

On the orders of the day:

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I would like to direct a question to the Minister of Transport.

Could he tell us when the inauguration of the Val-d'Or airport is to take place?

Hon. John N. Turner (Minister of Justice): I will take this question as notice, Mr. Speaker.

[*English*]

COMPANY OF YOUNG CANADIANS

POSSIBLE REPLACEMENT BY YOUTHS DOING NATIONAL SERVICE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is to the Secretary of State. In light of the kite flown by the minister concerning a new youth policy and the explicit omission from his remarks of a reference to the Company of Young Canadians, does the government propose to disband the Company of Young Canadians and to substitute for it what might be called youth conscript or culture conscripts?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am surprised that the right honourable member has mainly noticed the omissions in that speech. I was obviously speaking of projects.

Now, I did not mention the Company of Young Canadians as it is not a project but an achievement.

[*English*]

Mr. Dinsdale: A supplementary question, Mr. Speaker. Has the minister received from the provisional council of the company the recommendation of a person to be appointed as permanent director?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I am informed that this proposal is to be conveyed officially to us today.

[*English*]

EXTERNAL AFFAIRS

NIGERIA—COMMUNICATIONS RESPECTING RELIEF SUPPLIES FOR BIAFRA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I direct my question to the Prime Minister. During the past several weeks were any communications sent by the government to the military government of Nigeria regarding relief supplies and the allegation that has been made that these relief supplies could not get through to Biafra because of the fact that there was no Nigerian government agreement. Have there been any such communications? Has the Canadian government directly communicated with Major General Yakubu Gowon and asked that relief should be permitted to get through? If there have been such communications, would the Prime Minister not feel it would be appropriate to file the various messages in this connection?

Right Hon. P.-E. Trudeau (Prime Minister): I am somewhat confused by the question, Mr. Speaker. Obviously there have been many communications with the federal military government of Nigeria. The whole question of bringing relief to the suffering people of Nigeria has been discussed several times. As the hon. member knows, there is a Hercules aircraft in Lagos. As the hon. member knows, there is also one in Fernando Po. I might take this occasion, Mr. Speaker, to announce that I have just received word that this Hercules left Fernando Po at 18.15 hours local time with 20 tons of food bound for Biafra.

Some hon. Members: Hear, hear.

Mr. Trudeau: As to further aspects of relief for the suffering people of Nigeria, Mr. Speaker, I am not quite sure that I understand whether the hon. gentleman wants to inquire about something else.

Mr. Diefenbaker: Mr. Speaker, what I am trying to find out is whether in the past six weeks the government of Canada has sent any messages to the military government of Nigeria in regard to the question of Canadian relief being made available to those in need.

Mr. Trudeau: Yes, Mr. Speaker. We have perhaps not sent messages directly to General Gowon; we have sent a great many messages through our officials in Lagos, and our high commissioner or his officials have communicated with the federal military government.

Mr. Diefenbaker: Would not the Prime Minister think anyone with "a bleeding heart", to use his expression, would send a message directly to the general who is the head of government? I ask that because the

20 tons of food, which now appropriately are being sent, might have been made available much sooner had a message been sent to the general.

Mr. Speaker: The hon. member for Burnaby-Seymour.

Mr. Diefenbaker: Mr. Speaker, may I restate the question by way of a further supplementary. I have been trying to find out whether there is any correspondence, and the Prime Minister has not answered that yet. I want to know the answer and I ask this directly. Did he ever send a message to the head of that government?

Mr. Trudeau: The right hon. member may be surprised at the answer, Mr. Speaker, but it is yes; I did send a message.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: When?

Mr. Trudeau: I generally took the position, Mr. Speaker, that General Gowon who is trying not only to govern his country but fight a civil war as well should not be put under an imposition by me as a result of too many messages. I believe our high commissioner and his officials in Lagos can communicate with fruitful results with the government there. I did not take the position, either, that my intervention would be of such import that it would shake the world or alter the results of the civil war. But at one point I did send a message directly to the general.

Mr. Diefenbaker: When was that? Will the Prime Minister say approximately when he sent that personal message? Will he table that message, because I have found that one can get immediate replies from that government.

Mr. Trudeau: Mr. Speaker, I thought the right hon. gentleman was rising to congratulate me for having done what he suggested should be done. As to the exact date and content of the message, I shall acquaint the house with these facts at some appropriate occasion, possibly during the debate on the report of the committee of parliament on this matter.

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. May I congratulate the Prime Minister and the government even at this late stage for having finally taken the 20 tons of food into Biafran territory. I wish to ask whether the Prime Minister has received a communication from the World Council of Churches of Geneva, in which they forward a request that Canadian Hercules aircraft be made available for flights from Sao Tomé?

Mr. Trudeau: Mr. Speaker, I know of no such request. I will inquire, but I think I can tell the hon. member in advance that it has been the position of the Lagos government that they will authorize the use of Canadian military aircraft and personnel by the Red Cross, but they are not prepared to authorize that use by the churches. I realize that this somewhat contradicts the information the hon. member believed was obtained at New York. We have how received specific word from the government of Lagos that they have authorized flights by the Red Cross, and that they do not feel it necessary to authorize flights by the churches. As the hon. member no doubt knows, the churches are making flights without the authorization of Lagos.

Mr. Brewin: A further supplementary question, Mr. Speaker. As a matter of privilege I might say that the information was not something I thought I heard. I heard Foreign Minister Arikpo clearly make the statement that flights by the churches in addition to those made by the Red Cross would be permissible if under the supervision of the International Red Cross. I wish to know whether the government has been in touch with the International Red Cross to see whether they will arrange to supervise the flight of Hercules planes taking food supplies from Sao Tomé, in order that the maximum amount of supplies might be flown into Biafra.

Mr. Trudeau: Mr. Speaker, I understand that the question of the maximum number of flights is determined by the possibilities of taking off and landing. My understanding is that the Red Cross has asked for one Hercules, and for not more than one.

Mr. David MacDonald (Egmont): A further supplementary question, Mr. Speaker. Are the Prime Minister's officials or the Prime Minister making contact with officials of the Red Cross in Equatorial Guinea to determine whether it might not be more effective to use additional Hercules aircraft? Having seen part of the operation I understand that additional Hercules aircraft would be tremendously useful at this time in the relief operation.

Mr. Trudeau: I have been discussing this with the Minister of National Defence. Our understanding is contrary to that of the hon.

member. The government of Equatorial Guinea feels that we have one Hercules too many there. They feel one Hercules is about all they can handle at this time.

Hon. Robert L. Stanfield (Leader of the Opposition): A further supplementary question, Mr. Speaker. Am I to understand from the Prime Minister's answers that his government has made direct representations to the government of Nigeria in order to assist the Red Cross to obtain the necessary permission from the government of Nigeria?

Mr. Trudeau: Mr. Speaker, there is no question of our having made such representation. There is a Hercules in Lagos now; therefore we have nothing of this nature to discuss with the government of Lagos.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Since the Red Cross is having difficulty obtaining this permission, and since the Prime Minister initially took the position that the government of Canada would not make representations directly to the government of Nigeria to help the Red Cross obtain this permission, is my understanding correct that the government of Canada since then has made direct representations to help the Red Cross obtain permission?

Mr. Trudeau: No, Mr. Speaker, I am afraid that understanding is not correct. I think the Leader of the Opposition is alluding to some questions that were asked about flights from Sao Tomé. With regard to flights by the Red Cross, representations for these had been going on for quite some time. We made such representations to the government of Lagos and we finally obtained an answer that they would accept use by the Red Cross of Canadian military personnel. That was clearly defined, but that was several weeks ago.

Mr. Stanfield: A further supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I wonder whether other hon. members might not have an opportunity to ask questions. However, I recognize the Leader of the Opposition.

Mr. Stanfield: I have one more supplementary, Mr. Speaker. Since representations were made to assist the Red Cross obtain permission, would the Prime Minister not consider making representations in order that certain church groups might also obtain permission from the government of Nigeria?

Mr. Trudeau: Well, Mr. Speaker, we did. This question was discussed with the Nigerian government and I gave their answer a few moments ago. They said they would authorize Canadian military personnel and aircraft under the authority of the Red Cross, but not under the authority of the churches.

IMMIGRATION

INQUIRY AS TO ASSISTANCE TO REFUGEES FROM CZECHOSLOVAKIA

On the orders of the day:

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I wish to direct my question to the Minister of Manpower and Immigration. In view of the deep concern held in all parts of this house for the welfare of the victims of the Nigerian civil war, and in view of the world wide praise for the Canadian program to aid Czech refugees, can the minister tell this house the number of refugees from the Czechoslovakian invasion who have been assisted by Canada to date, and the total amount expended on their behalf?

Some hon. Members: Oh, oh.

Mr. Trudeau: What's the matter. Aren't hearts bleeding over there?

Mr. Perrault: I do not know the answer.

Mr. Speaker: Order, please. Though the hon. member is asking for very specific information, my impression is that he is asking for statistical information, the type of information normally obtained by putting questions on the order paper. If there is urgency the hon. member knows he can give notice to the Chair.

An hon. Member: A supplementary question—

Mr. Speaker: The question has not been accepted, so no supplementary can be asked.

PUBLIC SERVICE

REPORTED STATEMENT RESPECTING PATRONAGE IN OTTAWA AREA

On the orders of the day:

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a question for the Prime Minister with regard to the statements he made in Halifax. Will the right hon. gentleman outline the government's position in connection with a statement on television last evening in which the Minister of Justice referred to the Solicitor General as the senior

member in matters of patronage in and around Ottawa?

Hon. John N. Turner (Minister of Justice): On a question of privilege, I referred to the Solicitor General only as the senior member of the government in the Ottawa area.

Mr. MacInnis (Cape Breton-East Richmond): Just one word, Mr. Speaker, with respect to the ruling you have given with regard to answers to questions. I put my question to the Prime Minister as head of the government with regard to the statements he made in Halifax, and I would repeat—

Mr. Speaker: The hon. member has asked his question. If the Prime Minister would like to reply in the usual way—

Mr. Hees: Let's have something better than that.

Mr. Speaker: Before the Prime Minister answers, perhaps I should explain that the rule to which the hon. member has alluded is that a question referring to a statement made outside the house should be directed to the Prime Minister, as has been done, and should ask whether that statement represents government policy.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker—

Mr. Speaker: With all due respect, having asked the question the hon. member should allow the Prime Minister to answer.

Right Hon. P.-E. Trudeau (Prime Minister): The answer was given by the Minister of Justice. He was misquoted by the hon. member for Cape Breton-East Richmond. The reason I did not answer right away was that I suspected there might be a misquote coming from the hon. member.

Some hon. Members: Hear, hear.

Hon. Robert L. Stanfield (Leader of the Opposition): On a point of order, and probably a question of privilege too, I suggest to the Prime Minister in all sincerity that whether he intended it or not, his words carried the imputation that the hon. member who asked the question was quite likely to have misquoted the Minister of Justice, and I suggest the Prime Minister might wish to correct that imputation.

Mr. Trudeau: No correction, Mr. Speaker, because there was no such imputation. I was suggesting that the hon. member had misquoted my hon. friend and the facts, as stated by the minister, indicate that there has been a misquotation. When I said there probably had been one I was merely basing my opinion upon the statistical average of the hon. member.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. I wonder whether we will make much headway by pursuing this matter further.

Mr. MacInnis (Cape Breton-East Richmond): On a question of privilege, I think the Prime Minister himself has clearly indicated that he does not know what went on last night, and I quote him as having just said—

Some hon. Members: Oh, oh.

Mr. Speaker: May we have order, please?

Mr. MacInnis (Cape Breton-East Richmond): The Prime Minister, referring to last evening's program, used the word "probably". This is an indication that he did not himself hear the remark made by the Minister of Justice and could not therefore impute motives in connection with any question. When seeking a reply from the Prime Minister, it is not "the usual" we want; it is the facts we want, and if the backbenchers of the Liberal party wish to continue in an effort—

Some hon. Members: Sit down.

Mr. Speaker: Order, please. The hon. member has made his point. I recognize the rule is that no improper motives may be imputed, and I am sure hon. members on both sides recognize this rule and wish to abide by it.

Mr. MacInnis (Cape Breton-East Richmond): Further to the question of privilege, I would be perfectly willing to allow the matter to stand where it is if the Prime Minister would get up and say that he actually witnessed the program last night; or if not, withdraw his remarks.

Some hon. Members: Hear, hear.

Mr. Robert Muir (Cape Breton-The Sydneys): On this question of privilege—

An hon. Member: There's the expert.

Mr. Muir (Cape Breton-The Sydneys): No, I am not an expert as some ignoramus across the way has suggested.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I suggest to the hon. member that this is not the way in which the House of Commons should conduct its business.

Some hon. Members: Hear, hear.

Mr. Speaker: If the hon. member would kindly state his question of privilege as quickly as possible I shall give a ruling on it.

Mr. Muir (Cape Breton-The Sydneys): I agree with you, Mr. Speaker; this is not the way to run the house and you have your hands full when you have characters like that to contend with. Since this session began the hon. member for York South has had to straighten out this individual over there who is the leader of this country—

Mr. Speaker: Order. Perhaps the hon. member would realize how far these things can go. I would ask the co-operation of all hon. members—

Mr. Muir (Cape Breton-The Sydneys): All right, Mr. Speaker. On this question of imputations being made, the hon. member for York South on two occasions has directed the attention of the house—and it is the same today—to the fact that the Prime Minister was imputing motives to hon. members. This is not correct. Today he was imputing motives to the hon. member for Cape Breton-East Richmond. The right hon. gentleman reached this chamber in the same way as the rest of us, and he has no more right to impute motives than I have, or than any other member has.

Mr. Speaker: Order. I understand the hon. member for Provencher also has a question of privilege to raise.

Mr. Mark Smerchanski (Provencher): I hope this is a question of privilege, Mr. Speaker. It arises on the same basis. It has been said there has been a lack of humanitarian consideration by our present Canadian government. I feel I wish to congratulate most heartily the Minister of Manpower and Immigration—

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. It would probably be easier to rule on this question of privilege than on the previous one.

Inquiries of the Ministry

HOUSING

HAMILTON, ONT.—HEARING OF BRIEFS BY TASK FORCE

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): I just wish to contribute something constructive to this swinging question hour. I notice the Minister of Justice is here, and that earlier he was speaking on behalf of the Minister of Transport. I should therefore like to direct a question to him. Has the minister any indication now, or can he confirm the fact, that the task force will be visiting Hamilton, Ontario; and, if so, when?

Hon. John N. Turner (Minister of Justice): Yes, I can. The task force on housing plans to visit the city of Hamilton some time in November. The reason the exact date is not yet set is that the Minister of Transport wishes to weigh the briefs from all interested parties, including one from the city of Hamilton. We will certainly advise the hon. member so he can be there.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a supplementary question.

Could the Minister of Justice, who answered on behalf of the Minister of Transport, tell us if the task force or the study group will again sit in Montreal to hear other representations on housing? Since the group was supposed to sit three days and stayed only one day, does the government intend to ask it to return to Montreal?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the Minister of Transport will take note of the hon. member's representations.

[*English*]

GRAIN

SPECIAL PROVISION FOR DRYING OF SPECIALTY CROPS

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, this question is for the Minister of Industry, Trade and Commerce. In his absence I should like to direct it to the Minister without Portfolio. Is the minister now prepared to give me an answer to the question I asked on October 24 with regard to giving priority to the moving of damp grain and more specifically flax and rapeseed, which will suffer severe loss if left out over the winter?

Hon. Otto E. Lang (Minister without Portfolio): Yes, Mr. Speaker; the Canadian Wheat Board is giving priority to the moving of damp grain. This has been indicated several times before in *Hansard*. This does not apply to tough grain because of the quantity of damp grain which exists. There is a special quota in existence regarding the seeds to which the hon. member referred. These therefore are being given priority as well.

[*Translation*]

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—REMOVAL OF TOLLS

On the orders of the day:

Mr. Leonel Beaudoin (Richmond): Mr. Speaker, I have a question for the hon. Minister of Transport but, since he is absent, I shall put it to the right hon. Prime Minister.

In view of the representations made by the Chambers of Commerce and by several intermediate bodies, from the eastern townships in particular, as well as the statements made by the Quebec government concerning the abolition of tolls on the eastern townships speedway, does the government or the Minister of Transport intend to abolish tolls on the Champlain bridge, which leads to the eastern townships autoroute?

Mr. Speaker: Order. The question asked by the hon. member could easily be put on the order paper.

[*English*]

FARM CREDIT ACT

AMENDMENT RESPECTING ELIGIBLE CLASSES, AMOUNT OF CAPITAL, INTEREST RATES, ETC.

The house resumed, from Tuesday, October 29, consideration in committee of Bill No. C-110, to amend the Farm Credit Act—Mr. Olson—Mr. Béchard in the chair.

The Deputy Chairman: When the committee rose on Tuesday, October 29, clause 6 of the bill with an amendment proposed by the hon. member for Crowfoot was under consideration.

On clause 6—*Agreement re loans to Indians on reserves.*

Mr. Olson: Mr. Chairman, when the committee rose last night we were discussing clause 6 which contains amendments to the Farm Credit Act to make provision for Indians who are farming on reserves to make use of the services provided by the Farm Credit Corporation.

[Mr. Gleave.]

The Deputy Chairman: Order. May we have a little order in the committee, please.

Mr. Olson: I think there may have been some misunderstanding about the provisions of the entire clause because certainly it was designed in such a way that it would make the services of the Farm Credit Corporation available to the Indians, to corporations on Indian reservations and indeed to a band in the same way as they are available to any other citizens of Canada. There may have been some misunderstanding about that.

Based on the representations that were made last night, particularly by the hon. member for Kamloops-Cariboo, I am prepared to consider an amendment that has just been brought in which would further clarify the provisions contained in that clause. I wonder, therefore, whether I might ask that clause 6 stand for a few moments while we give consideration to this matter. Then we could return to this clause and perhaps suggest an amendment which I could have one of my colleagues move.

The Deputy Chairman: Does the committee agree that clause 6 stand?

Some hon. Members: Agreed.

Clause stands.

Clause 7 agreed to.

On clause 8—*Regulations respecting interest.*

Mr. Horner: Mr. Chairman, on clause 8—

The Deputy Chairman: Order. Might we have a little order in the committee, please, so that we can hear the hon. member for Crowfoot.

Mr. Horner: Thank you, Mr. Chairman. I will attempt to make myself heard. A particular point is at stake in respect of clause 8. I should like members of the committee to consider this very carefully. In clause 8 there is a change from the existing act. The expression "family farm corporation" is being changed to "farm corporation", or corporate farming. In essence the family farm is being replaced by corporate farming. This is a very grave amendment. I hope that every member of the committee will attempt to understand its full meaning and intent, because the minister assured us that in fact 51 per cent of the shareholders of a corporation would have to be actively engaged in the farming industry. Nowhere in the bill is there such a suggestion. In fact, in clause 11 there is an indication that as long as one single member of the

corporation is in fact actively engaged in the business of farming or has the intent to become engaged in the business of farming the corporation will qualify.

If we turn to page 12 where it says, "in the case of an individual who is a shareholder," we see that it goes on to say that a farming corporation may become eligible if it is borrowing money for a member of that corporation who is an active farmer or has the intent to become an active farmer. If the minister would assure us that there would be ample regulation to make it abundantly clear that a very small proportion of the corporation would be permitted to be non-farming, then I believe such a corporation would perhaps be permissible.

• (3:30 p.m.)

In respect of an earlier clause the minister went on to say that the whole reason for this was to take in junior members of a family. By definition it is well understood that that is the meaning of the term "farm family". It means those members of the family who are not of legal age, but a farm corporation or a corporate farm means something altogether different. It includes the whole gambit of our society. As one member mentioned yesterday, it could include a marketing association such as a shopping centre or a packing plant which wanted to borrow money to buy land. It could well include speculators who want to use Farm Credit Corporation money to buy up land adjacent to towns or cities or manufacturing plants. This would allow these people to make a profit through speculation because of the increased value of land. They would not have to make a success of farming. I think this clause creates a loophole, and whether or not the regulations will plug that loophole I am not in a position to say. We have not seen the regulations and they may not be made public for months.

Let me draw the minister's attention to the act as it was. I presume this same provision will be in effect in the new act after it is amended. It states that the corporation has the right to make regulations for carrying out the purposes and provisions of the act without restricting the generality of foregoing sections. It states that the corporation can define the expressions "economic farm unit", "single farming enterprise", and "co-operative farm association". If the minister can clearly define those past regulations perhaps it will make it easier for us. I do not suggest he should tell us what the new regulations are because they may not have been drafted yet, but if he could clearly define an economic farm unit, a single farming enterprise and a co-operative farm association, as well as a family farm corporation, we might rest assured that the provisions will be narrow enough to prevent what we have in mind.

Unless we have more details as to the regulations I can only say that there is a great loophole created by these amendments which will allow huge corporate entities to build up and take advantage of lucrative markets. I refer to what has been called vertical integration. We may be creating a loophole which will allow enterprising businessmen to make a co-operating farmer a partner and buy his land through the Farm Credit Corporation. That farmer could then stay on the land without using it until the adjoining town or a business needed it. In that way there could be speculation through the use of Farm Credit Corporation money.

I am concerned about those two situations, and I should very much like the minister to give us the existing definitions in the regulations in respect of an economic farm unit, a co-operative farm association and so on. If the minister will do that, perhaps we might find ourselves in a position to pass this clause. I think it is dangerous to bring this clause in as it stands.

Mr. Olson: Mr. Chairman, to alleviate any concern as to whether or not the regulations under the Farm Credit Act will be drafted in such a way as to benefit other than bona fide farmers, let me suggest that it must be kept in mind that whenever in this act the term "farm corporation" is used, it means a farming corporation as defined by the regulations. The definition will require that the control of the operations of the corporation and the preponderance of its ownership must be held by individuals who are principally concerned with the operation of the farming corporation.

Mr. Horner: Is the minister now reading the regulations?

Mr. Olson: I will present the regulations later. The regulations under the new act are not available. The regulations are always written after an act is passed.

Mr. Horner: That is the weakest excuse possible. The minister knows that this act has been in existence since 1959. I was asking him about the old regulations.

Mr. Olson: I want to point out also that the arguments of the hon. gentleman are not

valid if he claims that clause 8 will allow anyone who is not a bona fide farmer to use the credit facilities of the F.C.C. for speculative purposes. That is very clear in my mind, and I take that to be the concern of the hon. gentleman. Let me alleviate that concern in his mind.

These regulations are available to the hon. member and I will send him a copy of them if he wishes. The term "family farm corporation" under the old regulations of the act prior to amendment is defined as follows:

—means a corporation the principal object of which is the carrying on of an enterprise devoted to the production of agricultural products and at least 95 per cent of the shares of which are owned wholly by persons that are related to one another either through blood relationship, marriage or adoption with not less than 51 per cent of the shares owned by the actual operator or operators of the farm;

These definitions are rather long, but if the hon. gentleman wishes I will read them. I would prefer to send him copy so that he can read them. What is now contained in the definitions no doubt will be carried forward into the new ones. We have not found it necessary to define a single farm unit because that is fairly obvious. If a farm unit meets the qualifications of an economic unit and is owned by one individual there is no need to define it further.

Let me draw to my hon. friend's attention the fact that the amendment makes it possible for the corporation to make loans to farmers who have decided for their own purposes to incorporate their business. There are all kinds of good reasons for doing so. Surely the hon. member would not wish to deny farmers the right to obtain credit because they had incorporated. Surely he does not wish to be in the position of saying, do not incorporate because you will be denied the credit that other farmers can get. This is contradictory to the argument the hon. member made yesterday that there is an intrusion into the farming enterprise by corporate entities. What we are doing now is providing the facilities through which farmers can compete with this intrusion, to whatever extent that assertion is valid.

Mr. Horner: The minister has assumed something I did not imply. I should like him to give the definition in the old regulations of an economic farm unit. He had the regulations in his hand.

[Mr. Olson.]

Mr. Olson: I have them right here. An economic farm unit means:

—an area of farm land that, together with such buildings, farm equipment and livestock as in the judgment of the corporation are necessary for the efficient use and exploitation of the land as a farming enterprise, will, under the operation of the applicant, produce revenue sufficient to

(i) pay the cost of operation and maintenance of the land, buildings and chattels,

(ii) provide a livelihood for the applicant, and

(iii) pay to the corporation within the time agreed the amount of the loan made to the applicant;

• (3:40 p.m.)

Mr. Peters: Mr. Chairman, I have listened with interest to the discussion that has taken place and would like to ask the minister why this change has been made. The family farm corporation was a satisfactory arrangement under the Farm Credit Corporation and allowed for a very large expansion of the type of operation that I am sure every member who represents a rural area is pleased to see. I refer to the father-son relationship within the farm unit. In many cases this is a registered partnership and becomes a company.

I would like to know why this new definition has been written into the bill. I am sure we are all in agreement with the hon. member for Crowfoot—the minister, I am sure, is also in agreement with him—that we do not want to provide another loophole for the vertical integration of agriculture. All farmers are well aware of the fact that when they are pushed to the wall they often find it very easy to obtain money from business people in the community in order to set up a corporation. In this situation the farmer or farmers set up a corporation on the basis of shares being made available and they operate the corporation. I am sure the minister is not interested in promoting this kind of operation.

What was wrong with the family farm corporation which was a father-son operation and bore a blood relationship which I am sure the Farm Credit Corporation regulations will not disallow? Representations must have been received by the department to warrant this change. If this is the case, perhaps the minister would tell us what they were and the reasons for the change having been made in the bill.

Mr. Olson: Mr. Chairman, the explanation is as follows: Under the old act it was defined as a family farm corporation, and recently a number of neighbouring farmers have, for

the purposes of efficiency; the purchase of machinery and the co-operative use of all the requirements in connection with farming, if I may use that phrase, grouped themselves together in a co-operative, partnership or corporation. The name of the entity is not important. They have grouped themselves together, and if they had done that under the old definition of family farm corporation and these people were not blood relatives, of course they could not take advantage of the credit facilities of the Farm Credit Corporation.

It is my opinion that these people are doing a service to themselves and the country by being more efficient in these partnerships, co-operatives or corporations, and that we should therefore amend the act so that this kind of operation and arrangement can be recognized and thus use the facilities of the Farm Credit Corporation.

Mr. Peters: Mr. Chairman, I was always of the opinion that co-operative farm associations could legally be formed by a number of farmers grouping together. I may be wrong but I understood that people like the Hutterites in certain areas and the Mennonites in other areas have done this in the past. A number of persons in different parts of the country have done the same thing. There is in my area a very large farm corporation that is registered as a co-op with two major shareholders. I thought we had provided under a section of the Farm Credit Corporation act the right to co-operative associations to set up a legal program to allow for this type of operation.

I do not know very much about corporate structure but I presume this provision has something to do with the tax structure. If it has, it may not be a bad thing. But I am still of the opinion that we should keep the family farm corporation, with its blood relationship, because most of the amalgamation of farm land today has been carried out by people with a blood relationship.

Mr. Olson: Mr. Chairman, the hon. member is right in what he is saying, but a farming corporation, or whatever expression is used, certainly does not exclude a family from being the shareholders or members of the corporation. As I said a few moments ago, the purpose of this amendment is to apply the word "corporation" to a small group of farmers, three or whatever number more, who have incorporated to set up a legal entity, so they will not be excluded from the provisions of the act.

Mr. Nesbitt: Mr. Chairman, I wish to ask the minister a brief question. Do any of the definitions in this clause have any association with that part of the act which indicates that those who are intending to farm will be granted loans by the Farm Credit Corporation?

Mr. Olson: Mr. Chairman, the answer to that question is yes, but in practice it is that they are about to begin farming immediately on getting the loan.

Mr. Nesbitt: I am very sorry, Mr. Chairman, but I did not hear the last part of the minister's answer.

Mr. Olson: The answer to the question is yes, there are provisions for an applicant who is about to begin farming, but in practice it is that they are about to begin farming as soon as they obtain the loan so that they are financially able to do so.

Mr. Nesbitt: I ask a further question, Mr. Chairman, for clarification. I thank the minister for his explanation. Does the minister intend to make any provision to ensure that those intending to take up farming through a corporation or as individuals shall have had previous experience in farming?

Mr. Olson: Yes, Mr. Chairman, there is a provision in the bill which requires that the field man ascertain to his satisfaction that such an applicant has had farming experience. I am advised that the provision is in clause 4. It can be found on page 3 of the bill at approximately line 23 and continuing therefrom. The provision is as follows:

(i) in the case of an individual, where in the opinion of the corporation the experience, ability and character of that individual are such as to warrant the belief that the farm to be mortgaged will be successfully operated—

Of course, experience is involved there.

Mr. Nesbitt: I have one further question in this regard. I realize it is rather difficult to say whether a corporation as such has had farming experience. Is it the minister's intention that the principal shareholders of a farm corporation shall have had this experience? Will there be any provision as to the percentage of the members of the corporation who shall have had farming experience? Will this provision apply to the directors of the corporation which is being set up in the business of farming, to just one director, or to the shareholders of the corporation? What is the minister's intention in this regard?

Mr. Olson: Mr. Chairman, I should have read the next paragraph of clause 4. I ask the hon. member to look at it. I quote from where I finished reading a moment ago:

(ii) in the case of a farming corporation or a co-operative farm association, where in the opinion of the corporation the experience, ability and character of those shareholders or members who are principally occupied in the farming operations of the corporation or association, as the case may be, are such as to warrant the belief that the farm to be mortgaged will be successfully operated;

• (3:50 p.m.)

I would also refer the hon. gentleman to the definition of farmer in clause 1, where I think it spells out fairly clearly that the F.C.C. will not only have the right but the duty to examine these characteristics of the individuals involved in a corporation. It is quite obvious that we cannot assess whether a corporation is going to be a good farmer. It is the individuals who are going to be farmers, with the experience and capabilities necessary to operate a farm.

Mr. Nesbitt: I thank the minister for giving a very complete answer to the question. It is a good thing to have these answers on the record. Sometimes it may prevent future arguments between officials of the corporation and those who make representations on behalf of farmers.

Mr. Gleave: I may be a little slow to catch this, but under the regulations to date we could be assured that when a loan was made to an individual to form a corporation, or to two individuals, those people were actually farmers. It was the policy of the Farm Credit Corporation to insist that they be farmers.

Mr. Olson: I can assure my hon. friend that that policy will be maintained, but I point out that the provision did not stipulate full 100 per cent income from farming but mentioned farming as the principal occupation. The collective judgment of the corporation in these cases has been based on a definition of something substantially higher than a simple majority.

[*Translation*]

Mr. Caouette: Mr. Chairman, with regard to clause 8 which defines the terms "economic farm unit", "single farming enterprise" "co-operative farm association" and "farming corporation", I should like to ask the minister whether, as in the past, there will be conflict between federal and provincial loans to agricultural organizations. In many cases, for instance, we are told that the Quebec Farm Credit Bureau objects to loans being made by Ottawa. I have seen proof of that in my own riding.

Is there, at the present time, conflict between the legislation proposed to the house and that in effect in the province of Quebec for, unless I am mistaken, the province of Quebec alone has a Farm Credit Bureau, contrary to the other Canadian provinces. Is the government introducing this bill to help only the economic farm units in provinces other than Quebec, or in those of Quebec as well?

Will the agricultural units or corporations back home be able to obtain loans from the federal government as easily as western farmers. As I understand it, the legislation proposes to help farmers and farm associations in western Canada, namely in Alberta, Saskatchewan and Manitoba? Will possibilities be as good for the eastern farmers as they have been in the past. Will they continue to be in the future under the terms of this bill?

Mr. Chairman, the member for Crowfoot (Mr. Horner) is constantly rising to fight for the interests of the Alberta farmers. We know that. Others speak for the interests of Saskatchewan and Manitoba farmers.

I want to point out we do not oppose government aid to all farming associations and corporations or co-operatives out west. Still, we will fight with tooth and nail so that the eastern farmers, our agricultural societies such as C.F.U. and the co-operatives, it matters little, get the same benefits from this bill, from these loans, as the western farmers.

[*English*]

Mr. Olson: I wish to advise my hon. friend from Témiscamingue that the F.C.C. has more staff in the province of Quebec than in any other province, and that all the services are offered in Quebec in the same way and under the same rules and regulations as they are offered any place else in Canada.

[*Translation*]

Mr. Caouette: Mr. Chairman, that is not an answer. Everyone knows that the minister has a large staff in the province of Quebec. However, the minister is aware of the fact that there are fewer loans made to agricultural organizations in Quebec than in western Canada. Even if there are more bureaucrats in the province of Quebec, that has nothing to do with milking cows or farming. What we want to know is whether there will be more easily obtained federal loans than in the past.

[*English*]

Mr. Olson: In my opinion there are two explanations. One is that in Quebec in addition to the F.C.C. there is a fairly active provincial agency which makes loans. In many of the other provinces there are no provincial agencies which make credit available to farmers. The other important point is that in some other provinces the agricultural sector is a major part of their whole economic structure, more so than in Quebec. I think it would be fair to say that in Saskatchewan agriculture makes up a higher percentage of the total provincial economy than does agriculture in Quebec.

Mr. Ritchie: I would like to point out that in making loans the experience and ability of an individual are taken into consideration. I think that is good, but with the advent of the family corporation consisting of father and son injustices may occur. I realize that the corporation's field men must necessarily cover their bets or percentage losses as best they can, but I submit that a father and son corporation, where the father is in his fifties and is well established in farming, will have a substantial advantage over a young farmer who may not be too well known in the neighbouring district and who may not have as much capital as his family counterpart.

Whenever land is offered for sale in my riding numerous people bid for it. I would like the minister to tell me how the corporation's field men will not discriminate against young farmers in these cases. Other than giving instructions to field men, what can be done to prevent the business of agriculture from losing young farmers who would eventually be successful but who at present are not well known to the field men?

Mr. Olson: I do not know if I can explicitly express how the field men are going to achieve what the hon. member has requested, but I would point out that in these amendments we are increasing the amount available from the F.C.C. to young farmers from 75 per cent of the assessed value of a farm unit to 90 per cent. I think that is a major step toward meeting the request that the hon. member has made.

• (4:00 p.m.)

Mr. Horner: If I understand the minister correctly the reason for changing the words "family farm corporation" to "farming corporation" is that in clause 1 the word "person" has been changed to "individual". Under the act as it now stands a farmer means a person whose principal occupation is farming. A person is a legal entity and could well include a corporation. If one were to read the definition the other way, a farmer would mean a corporation whose principal occupation was farming. In considering clause 8, the minister assured us that 51 per cent of the shares would be held by persons actively participating in farming. He went on to suggest that in the regulations the percentage would be much higher than that and would be nearly all of them. Why hide behind the regulations so far as the family farm is concerned? He suggested that in so far as the family farm was concerned 95 per cent of the shares must belong to blood relations. Could the minister give us some assurance that perhaps 95 per cent of the shares of these corporations must belong to members of the corporation who are actively engaged in the business of farming?

It is all well and good not to disclose the interest rate and to say that is has to be set later. We did not approve of this idea. Surely this problem is not nearly as touchy. Surely the minister can give us the percentage. Will it be 90 per cent, 95 per cent, 75 per cent or will it drop back to 51 per cent? I do not believe we are being overly inquisitive in attempting to elicit this information. I think it is only fair that the minister should try to enlighten the committee as much as possible during the passage of this bill. By so doing he will also enlighten the Canadian public as to the exact percentage of shares that would have to be owned by actual farmers in a farm corporation.

I have one other suggestion to make to the minister and I would like his comments upon it. I am not particularly eager to move another amendment. I am pleased to learn that the minister is giving some consideration to the amendment I moved last evening. We were pleased to allow clause 6 to stand in order that such consideration might be given. Could the minister not have added the words "family farm corporation" in this clause when he was making these changes? In other words, do not strike out the family farm but leave it in and add "farming corporation" if he so desires. Do not discriminate against the mainstay of agriculture in the past.

I believe the family farm will have a part to play in the agricultural industry. After all, it is only through the co-operation of the whole family that a success is made of this type of farm. Therefore I sincerely urge the

minister to consider the recommendation I am making. As I have said, I am not eager to move another amendment. I cannot see why the minister would not leave "family farm corporation" in the clause and include "farm corporation" if he desires. I do not want to move an amendment but somebody on the government side could. It bothers me a little to have the family farm stricken from the clause. The minister believes in the farm corporation.

Mr. Olson: The answer is so simple I am sure it is obvious to the hon. member. Family farm corporations are included in farm corporations. It would be redundant to add those words. If it is a farm corporation or a family farm corporation, it is right in there.

Mr. Horner: It may well be in there and it may not. There may be a difference in the total number of shareholders permissible for a family farm corporation. Far be it for me to say that the bill is so well or carefully drafted that it can do without two extra words in it. It cannot be said that these two words are not absolutely needed. We may have to have three extra words so that the provision would read, and/or a family farm. I am sure the minister would find there was a difference in the regulations between the number of shares that would have to be held by blood relations for a family farm corporation and the shareholders of a corporate farm. I say to the minister that while they may be the same they are not necessarily the same. In order to encourage the continued existence of the family farm, I sincerely urge the minister and his associates to include those words—and a family farm.

I cannot emphasize this point too much. If the minister believes that the family farm has been the mainstay of the agricultural industry in the past and will continue to be in the future, I am sure he will accede to my request. If he does not believe in the family farm, if he wants to treat the family farm the same as the corporate farm, then let him strike out those words. I really do not believe he wants to do that. I really do not believe the members of this committee want to do that.

I am not moving an amendment at this time but I am pleading with him to add these words to cover the family farm. The amendment would be simple and could go through within three minutes. This is a very important point. No politician who has ever campaigned in the rural parts of Canada from one end of the country to the other was ever elected by disregarding the family farm. The minister knows it. He can say that these words would be redundant, that "farming corporation" includes a family farm. It may, but not necessarily. I urge the minister, therefore, to quickly draft an amendment to include these words. I do not want to move an amendment because when an amendment comes from this side of the house all the backbenchers on the other side seem to think they have to vote against it. All the members on that side of the house seem to believe that all the brains are on that side. I do not want to place the family farm in jeopardy. I do not want the credit for moving the amendment, I want the family farm to be covered by this bill. This is all I want. I urge the minister to have one of his boys quickly prepare an amendment so that the family farm will be preserved.

Mr. Olson: The position the hon. member for Crowfoot is taking now, Mr. Chairman, I think was well expressed by the minister when we were dealing with clause 1. Clause 1 asserts that a farm corporation will be defined by regulation. We intend to put in the regulation a definition of the various kinds of corporations. I thought that was already clear to the hon. member.

Mr. Horner: Just on that point—

Mr. Olson: Wait until I make this explanation which apparently the hon. gentleman missed. The definition will make a distinction between shareholders who are related and those who are not in so far as share distribution is concerned. Indeed, the definition of the family farm corporation that is in the regulations now very likely will be carried into the new regulations.

• (4:10 p.m.)

Mr. Horner: I do not want to belabour this point, Mr. Chairman. I remember debating this question earlier, and since I realized that was not the time to move an amendment to this clause I waited, as the rules provide I should, until clause 8 came under discussion. I then broached the subject. The minister may scold me, if he pleases, for not remembering what took place before, but I do remember the debate and the explanation given by the minister at the time.

We are now on clause 8 and I am making a final plea. The minister has said there will be

definitions in the regulations which will distinguish between a family farm and a corporate farm. However, there is no provision in the act that the regulations will be changed. The act provides that the corporation may make definitions in regard to an economic farm unit, a single farming enterprise, a co-operative farm association and a farming corporation, but it does not say that there shall be a definition which will specifically spell out what is a family farm.

The minister says that certainly there will be a distinction made in the regulations. If he were to include in this clause, in addition to "farming corporation", the expression "a family farm", then a definition would have to be made in the regulations of both types of operations or both types of corporation, if I may put it in that way. Why does the minister not make this definition statutory and insert it in the act? I cannot understand his reluctance on this point. All he has to do is insert three words in the bill.

Mr. Olson: Mr. Chairman, perhaps it would help the hon. gentleman to understand the position if I were to tell him that we see no purpose in inserting redundant words in an act. I would also draw to his attention that clause 1, which has already been passed by the committee, provides very clearly that a farming corporation will be defined by regulation. What the committee accepted when it passed that clause was the amendment of the former clause which provided:

"farmer" means a person whose principal occupation is farming, and, for the purposes of Part II, includes a co-operative farm association and a family farming corporation as defined by regulation;

So the act originally provided that a family farm corporation would be defined by regulation. We are now deleting the word "family" for reasons that I have explained a number of times, and all of which I find valid.

Mr. Hees: Mr. Chairman, I find it hard to understand the minister's reluctance to make this simple adjustment that would please everyone in the house and would be a very good thing for the minister to do.

I remember that last year in the house reference was made to a famous occasion in the fall of 1950. I remember that occasion very well because I had been elected to the house a few months before. Parliament had been called to deal with a railway strike. Mr. St. Laurent, the prime minister of the day, presented a bill which needed a simple adjustment but one which the opposition asked the prime minister to make so that there would be no misunderstanding. The prime minister agreed to this and promised that it would be done when the regulations were promulgated. Later it turned out that the prime minister's promise was not carried out, that it had no bearing whatever on the legislation, and the regulation was never passed.

Therefore, because of the importance of family farms to those who rely on them for their livelihood, and in view of the reasonableness of the request that has been made by the hon. member for Crowfoot, I would urge the minister to be reasonable. If he intends to make this change by regulation, then I would ask him to have the bigness and the generosity to make a slight change in the bill now so that there can be no doubt about it in the future.

Mr. Olson: The only reason for not doing so, as I hope hon. gentlemen opposite can understand, is that we would have to go through the entire bill and include those words because they appear nowhere else. Clause 8 relates to other clauses and to phrases that are used throughout the bill. Therefore there will be definitions of these words in the bill and in the regulations.

Clause 1, which the committee has already passed, provides that the government has the right to define a farming corporation. I have already given an undertaking that the distinction between shareholders of such a corporation who are related and those who are not will be made in the regulations. It is not a question of resisting something here; it is just that we want all of the words in the bill to make sense.

I do not want to repeat the reasons for changing the wording so that corporations that are composed not necessarily of blood relatives can be recognized by the F.C.C. This is why we have used the term "farming corporation" rather than excluding all but a family corporation. I think all of the reasons I have given are valid. Putting in one or two words does not worry me that much, but surely they should be useful words. Everything for which hon. gentlemen opposite have asked is already provided for in the bill and will be provided for by regulation. I have already given an undertaking to that effect.

Mr. Horner: Mr. Chairman, without arguing further on the subject, because I do want to get the bill through today, I move:

That on page 6, line 28, after the word "corporation" the following be added:
"and family farm".

The sentence would then read "... 'farming corporation' and 'family farm' for the purposes of this act".

Mr. Bigg: Mr. Chairman, the reason I intervene is that I think this amendment must be made to the bill. It is not good enough to rely on the promises or wishes of a person when it comes to a question of interpreting laws. When you get down to the clinches the officials always interpret the words the way they want. Many times the will of parliament has been frustrated simply because, having passed a certain act, we did not tee up the regulations properly and the officials who interpreted the act completely discarded our reasoning.

Mr. Olson: Mr. Chairman, might I ask the hon. gentleman a question?

Mr. Bigg: Yes.

Mr. Olson: What useful purpose would there be in authorizing us to make regulations to define a word that does not exist in the bill?

Mr. Bigg: I am explaining that now. What I am worried about is not so much the interpretation of words but that the money goes to the right people. In order to dot the last "i" of the bill and so that nobody will have any doubt about what we mean, I do not think it would be redundant to include the words "family farm". Stupid officials—and they do exist—could interpret the act to frustrate the will of parliament.

• (4:20 p.m.)

When the government says, "You can trust us to look after the family farm" I want to know why the family farm is being written off. My statement is not based on guesses. I have been told this in clear words. I know this government does not intend to encourage the operation of inefficient units. If the family or corporate farm is not inefficient, why is it necessary to make money available in this manner? Despite the government's statements that inefficient units must be made more efficient and that we must lend inefficient units money, which may or may not be a subsidy, why is the agricultural industry in such dire circumstances today? I will tell you, Mr. Chairman. It is as the result of this government's policy.

The corporate farmers are not in trouble, and I know that. The large prairie farmers and the large dairy farmers are not in trouble but many thousands of small farmers are in

trouble. I want to hear an assurance that small family farmers will be assisted as well as young boys who are just beginning to farm.

Frankly, I do not trust any government that has gone so far in destroying our family farms. It is necessary for the government to instruct those who draft laws and regulations that at all costs the family farm is to be preserved. There is already on the statute books legislation covering acreage payments. That is of help to the small farmer. Agriculture would be stabilized if the government would implement a longstanding promise of all governments in Canada and introduce a two price system for grain. The government ought to look again at dairy policy and at the policy affecting mixed farms. If I can be assured that the young farmer who is just beginning to farm and the homesteader are to be helped under this legislation, I shall resume my seat and congratulate the minister. Unfortunately there are no indications that this will happen. I have letters on my desk from small farmers who are worried because they do not think they can survive until next seeding time. They are worried about the future for themselves and for their families.

Mr. Gleave: Mr. Chairman, I am not worried so much by the phrasing of this particular clause as I am by the general tone and intention of the bill. Perhaps I might be permitted to read part of a script used by the Prime Minister in Winnipeg on June 6, 1968. Paragraph 3 reads:

> The government proposes to amend the farm credit legislation to provide for broadened applicability and to stimulate the entry into the industry of younger people. These amendments would provide increased coverage for farmers desirous of acting in partnership, would improve the ability of farmers to enter into agreements with their sons, and would facilitate the entry into farm ownership of young farmers who have demonstrated superior managerial ability. Action would also be taken to expand the activities of the Farm Machinery Syndicates Credit Act to provide for loans on permanent installations, housing, specialized equipment for the joint use of several farmers, and for allied purposes. The provisions of the farm improvement loans would be expanded, and the operations of this act integrated with those of the Farm Credit Corporation.

In that statement on farm credit there is no mention of any intention to encourage the expansion of corporate farms. Yet it seems that the main emphasis in this bill is on the corporate farm. There is no emphasis, it seems to me, on help being given to the younger farmer. In fact, the Ottawa *Journal* on September 14, 1968, forecast—

Mr. Olson: On a point of order, Mr. Chairman, the only question before the committee is the amendment moved to clause 8. The amendment seeks to authorize the government to define the words "family farm". We have been all over the ground the hon. member is talking about dozens of times. I wonder whether we could address ourselves to the question before the committee.

Mr. Gleave: Mr. Chairman, I think the mover of the amendment wanted to introduce into this bill some of the sentiments expressed in the document from which I have just read. If you call me to order, sir, I will not proceed with my remarks. If you allow me to proceed, then I will.

The Deputy Chairman: I will ask the hon. member to proceed.

Mr. Gleave: Thank you. I was about to say that the Ottawa *Journal* forecast an interest rate of between 7½ and 8 per cent. I should like to know how such an interest rate will assist the younger farmer. We should not remove from this bill a protection farmers have enjoyed, namely, guaranteed interest rates on certain loans. I doubt that we on this side of the house will support the bill unless that protection is retained. I ask, what is the good of the farm management service that is proposed here if the farmer's protection is removed? Without doubt that service could be of real assistance to farmers if the protection with regard to interest rates were retained.

Judging from the farm bills brought before the house the government's lending program is not at all integrated. In light of the government's apparent farm credit policy I submit it will not be integrated and will only add to the difficulties of family farmers who are already faced with grave difficulties. The government asks us to accept its farm credit program. Though the amendment may help matters I submit that if the government removes the protection which farmers have enjoyed it may be difficult in the future to put right the harm that may be done.

• (4:30 p.m.)

Mr. McCleave: Mr. Chairman, I simply wish to address a question to the minister instead of making a speech. It arises out of some distinction in my mind between the definition in clause 1 and the reference in the clause we are now considering. In part of the constituency I represent it is possible for a farm to be owned to the extent of say 80 per cent by a farmer whose principal occupation is farming, and to the extent of 20 per cent by a son who may do enough to keep the farm up to date but whose main occupation is not farming but something else. Can the minister say whether in these circumstances such a farm family would qualify for 100 per cent benefit under this act or whether the borrowing would be restricted to 80 per cent because the principal occupation of the minor shareholder was not farming? I would appreciate an answer. This is a serious question and I have not taken up much of the committee's time.

Mr. Olson: I am not sure of the purport of the question. If I understood the hon. member correctly he asked whether or not an 80 per cent figure could be used if a young farmer, under the age mentioned in the bill, were a minority shareholder. Is that correct?

Mr. McCleave: Yes.

Mr. Olson: Well, if the principal occupation of the minority shareholder is farming the upper limit would apply.

Mr. McCleave: Suppose the young farmer is able to help his father for only part of the time and his principal occupation is something other than farming, does this restrict the amount which can be borrowed under the legislation?

Mr. Olson: Yes, it would, because we require that the principal occupation of those concerned be farming.

Amendment (Mr. Horner) negatived: Yeas, 34; nays, 76.

The Deputy Chairman: I declare the amendment lost.

Clause agreed to.

Mr. Olson: I wonder whether we could revert to clause 6. I should like to move an amendment.

The Chairman: Is it agreed that we revert to clause 6?

Some hon. Members: Agreed.

On clause 6—*Agreement re loans to Indians on reserves.*

Mr. Olson: In accordance with the arguments I put forward last night and today when I asked that clause 6 be allowed to

stand, I should like my colleague, the President of the Privy Council, to move:

That subsection (1) of section 17A of Bill C-110, An Act to amend the Farm Credit Act, be deleted and the following substituted therefor:

"17A. (1) With the approval of the Governor in Council, the Corporation may enter into an agreement with the Minister of Indian Affairs and Northern Development for the purpose of enabling loans to be made under this Act to farmers who are Indians on reserves, to farming corporations and co-operative farm associations the shareholders or members of which are Indians on reserves and to bands engaged in farming operations on reserves."

This does not change the meaning greatly, but the amendment does make it quite clear that for the purposes of the act corporations of Indians who are farmers on reserves, co-operatives, farming associations whose shareholders are Indians on reserves, and Indian bands are included among those qualified to apply for loans under the legislation.

Mr. Macdonald (Rosedale): I so move, Mr. Chairman.

Mr. Baldwin: On a point of order, there is already an amendment before the committee and I doubt very much that another amendment can be moved now. We do not intend to take advantage of the situation but I suggest that the committee might proceed to further clauses in order to permit my hon. friend from Crowfoot to consider whether or not he would be justified in withdrawing his amendment.

Mr. Olson: If the hon. member for Peace River would look at page 4, line 29, he would see that after the word "reserves" is added the phrase "and to bands engaged in farming operations on reserves". The amendment simply amplifies and explains.

Mr. Baldwin: I am not objecting to that. But the fact is there is already one amendment to clause 6 before the committee.

Mr. Olson: That amendment was lost.

Mr. Baldwin: I understand my hon. friend moved an amendment to clause 6—

Mr. Horner: Yes, that is so. No matter how sound the minister's amendment may be, it is out of order. If he wished he could move a subamendment to the amendment in my name to clause 6 now before the committee, but he cannot move a further amendment until the first is disposed of.

Mr. Olson: Very well, we will deal with yours first.

[Mr. Olson.]

The Deputy Chairman: Order. There is already an amendment before the committee. If it is the intention of the hon. member for Crowfoot to withdraw it—

• (4:40 p.m.)

Mr. Horner: I wish to facilitate the work of the committee to the best of my ability, Mr. Chairman, but before I withdraw my amendment I should like the minister to explain to me the purpose of clause 6. Subclause 4 refers to the total amount of loans. Note that the plural form is used. We are dealing with more than one loan. We are talking about the total amount of loans outstanding that may be made to any one band under this legislation. It says "under this act", not under any other clause of this act or under clause 6, the amount shall not exceed $100,000. This is what I should like to have a definition of. If it does not mean what it says or if I am reading something into it that is not there, I wish the minister would explain it. It refers to the total amount of loans to any one band. It does not say that the loans are made singly to one band. As I interpret it it says that the total amount of loans within one band shall not exceed $100,000. If it does not mean the total amount of loans within the band then I believe this should be clarified. The way I read it it says under this act and not under any particular clause. I am very anxious to get this bill through tonight and therefore I do not wish to belabour this point. If the minister can explain how I am misreading this then I might be prepared to withdraw my amendment.

Mr. Olson: The reason subclause 4 is there and the reason the expression "Indian bands" is used in the other clauses is so that the band itself, whether large or small, can in the name or identity of the band itself borrow up to $100,000. This gives them the same rights as any other corporation. Because there is some question concerning whether a band could be considered to be a corporation, co-operative, partnership, and so on, we have included in section 17A (1) of clause 6 and in two or three other places the provision that the band, as a legal entity, can in fact borrow as much as any other corporation. Clause 4 simply says that the upper maximum of $100,000 will apply also to a band. I repeat again that in addition to the funds that could be lent to a band as an entity—

Mr. Horner: On a point of order, Mr. Chairman, we are dealing with the first amendment.

Mr. Olson: Do you not want an explanation of why clause 4 is there and what it means?

Mr. Horner: Yes, but do not bother to read your amendment.

Mr. Olson: There was some misunderstanding by the hon. member for Kamloops-Cariboo about whether or not clause 4 limited to $100,000 that could be lent to the entire band. It certainly does not. I do not know how many, but there could be five, ten or 20 partnerships, corporations or co-operatives, or indeed individuals, within the same band. That clause is there simply to provide that the money is to be lent to the band in the name of the band. It is necessary that it be there because it is not clear yet whether a band itself could be considered to be a corporation, co-operative or partnership. That is the reason it was included.

Mr. Gleave: Why limit the amount to $100,000? There are reserves of various sizes. In my constituency I have two reserves. One is large and the people there are fairly well advanced in farming operations. The other is small and the people there are not advanced in farming operations. I cannot understand why it is limited to an amount of $100,000. There might be a reserve which would need $500,000 for its development.

Mr. Olson: If there were a number of individual farmers on that reservation who made application for an aggregate $500,000 and if that was approved by the Minister of Indian Affairs and Northern Development, they could be granted $500,000 in total.

Mr. Gleave: I think that is questionable.

Mr. Dinsdale: Mr. Chairman, I should like to support the amendment to subsection 4 of new section 17A. I do so because of what the minister said at the commencement of the debate. He said that the intention of the government is that our Indian citizens will be placed in exactly the same position as other Canadians who are engaged in the farming industry in Canada. If this is the intent of the minister and the government, I submit that under the terms of the clause as it now stands we are not achieving the desired objective.

I believe the government is in trouble with our Indian friends, first, because of its reputation as expressed by the saying that the white man speaks with forked tongue, second, because of our tendency to treat our first citizens as second class citizens and, finally, because of the lack of consultation. I support the amendment put forward by the hon. member for Crowfoot because I think the clause speaks with a forked tongue, if I may use that expression.

I cannot refer to the amendment put forward by the minister, but he speaks of corporations and co-operatives. The fact is that on most reservations there are very few co-operatives. The co-operative movement is just beginning on reservations. There are very few corporations. The band council is the main agency for transacting business on the reservation. So in actual fact the $100,000 would be the maximum limit. I believe that if the committee and the minister would approve of this amendment we would be able to get over this obstacle and no ceiling would be placed on the activities of the band council in this regard. If it is the desire of the minister to place the Indian bands on the same basis as other farmers in Canada, this is one simple way to carry out that objective.

Mr. Olson: If the hon. member, who has had long experience in this connection, would read the bill carefully and particularly clause 6 he would find that it puts Indian farmers on exactly the same basis as every other farmer in this country. This is spelled out in great detail. Even if a co-operative should have 1,000 members who are other than Indians it could not get more than $100,000 from the corporation. That is clear. We are applying the regulations to Indians as individuals, as partnerships and as corporations exactly the same as everyone else in this country.

Mr. Horner: Mr. Chairman, on this point the minister has suggested that in fact this clause means all loans made by one band and not all loans within one band. This, in essence, is what he is saying. Therefore I suggest that this clause is redundant because subsection (1) says:

> —farmers who are Indians on reserves and to bands engaged in farming operations on reserves.

It says "and to bands". Let us look at subsection 5 where it says:

> The provisions of this Act, in so far as practicable, shall apply to all loans made or to be made to farmers and bands referred to in subsection (1)—

If we interpret subsection 5, which is difficult to interpret, in the way the minister interprets it, namely, that it is not all loans made within one band but loans made to one single band as a legal entity, then the clause is redundant. It does not have to be there because subsections 1 and 5 specifically spell out that bands can borrow money. In answer

to a question put by the hon. member for Saskatoon-Biggar, the minister said that after consultation with the department of Indian affairs and Indian band may well be able to borrow $500,000. I should like to read my amendment again for the benefit of members of the committee. It is:

That all the words after "shall" in line 3, page 5, paragraph (4) be deleted and the following substituted therefor: "be determined by agreement between the corporation and the Minister of Indian Affairs and Northern Development, with the approval of the governor in council.

• (4:50 p.m.)

I should have added the words "and consultation with the band concerned". I will not delay the house by suggesting a subamendment to my own amendment, but in hurriedly drafting the amendment I left out those words.

I hope hon. members paid close attention to the minister's answer to the hon. member for Saskatoon-Biggar. He suggested that if a band came to the Minister of Indian Affairs and Northern Development it could obtain loans of $500,000. All I am suggesting is that we should not place a ceiling on one band. If we interpret this clause the way the minister wants us to interpret it we will not have one band forming an association. This is difficult to envisage.

The band on the reservation in my constituency would like to take over the farming of their own land. They have section after section of the very best land in south central Alberta. In order to give hon. members some idea of what I am talking about let me tell them that the crop on this reservation amounts to approximately 250,000 bushels, or about one-sixth of what the white man produces. These people have reached the stage where they want to become the farmers and farm this land as an Indian band.

The minister suggests there is a $100,000 limit and that this applies to the land owned or occupied by an Indian band. By adopting this provision we will be breaking up these Indian bands into four or five little co-operatives. They will have to do so in order to borrow $100,000 each. What are we trying to do, split them up and get them squabbling among themselves? There is no real purpose to this clause. It will force these Indian bands to divide and form small co-operatives. There will be one co-operative operating one section of land, another on another section of land and still another on another section. As one hon. member suggested, the minister is talking with a forked tongue. Whether he is doing that or not, he is talking with very little knowledge of how these Indian band would like to operate.

I urge the minister and the hon. member for Kamloops-Cariboo to support my amendment. I know full well that he is aware of the situation to which I refer. I do not have to converse with him about this problem and I know that he is in agreement with what I have said. This provision will drive these Indian bands to form five, six or seven different co-operatives in order to obtain $500,000 for each legal entity. All I am suggesting by the amendment is that we should not put a ceiling on the amount.

When you consider the ten sections occupied by the Blackfoot Indian band you must realize that $100,000 is not enough to buy the equipment to farm that area. That Indian band has no equipment at all at this time. Surely we do not want them to divide in order to take advantage of some white man's stupid regulation. That is just about what the Indian will think about it. This is just more red tape created by government bureaucracy. Surely the minister can understand that.

It is my hope that the minister can accept my amendment which merely suggests that the amount of money allowable to an Indian band should be determined by agreement between the corporation, the Minister of Indian Affairs and Northern Development and the Indian band. This is not an impossible request. I sincerely hope it will be accepted.

I shall not delay the committee any longer, but I hope the hon. member for Kamloops-Cariboo and the Minister of Agriculture will realize that this is a reasonable thing. I am sure they will both understand that if they vote against this amendment they will force these Indian bands to divide in order to take advantage of this provision. They will then understand that I was right in my suggestion. A measure with a limitation of this kind is not good in principle.

Mr. Burton: Mr. Chairman, I should like to say a few words on clause 6 and the amendment thereto. I certainly think all hon. members will recognize this provision as a belated but welcome move. I can only consider for my own part that the government is trying to make a genuine move in response to considerable pressure for programs to enable Indians to improve their economic condition. There is no question that such measures are required

to reduce the social and economic waste evident today in many parts of Canada on Indian reserves and among the Indian population.

Having said that, I want to note that it is regrettable it should be necessary to have a special clause in the act to enable its extension to Indian people on Indian reserves. It seems to me that the necessity for such a clause is one further example of the elements of segregation which are still present in our laws dealing with this group of people. I am fully aware that this general problem does not come under the specific purview of the Minister of Agriculture. However, I hope he will keep in mind the day when it will be possible to remove this special clause without in any way inhibiting the extension of Farm Credit Act facilities to people of Indian origin.

Assuming that legislative sanction is needed to deal with this matter, and I am not completely certain yet of the necessity for legislative action, I must say that the clause presented was inadequately conceived, inadequately thought out and inadequately drafted.

The first and major inadequacy is in respect of the role of the Indian person. In what respect does the Indian have any say in running his own affairs, as this clause is proposed? The scope of the agreement called for in subclause 1 between the corporation and the Minister of Indian Affairs and Northern Development—

The Chairman: Order, please. It being five o'clock shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

Mr. Macdonald (Rosedale): Mr. Speaker, I think there may be a general disposition in the house to waive private members' hour for this afternoon on the understanding, of course, that it will not be lost to private members.

Mr. Deputy Speaker: Is it agreed that private members' hour be suspended this afternoon?

Some hon. Members: Agreed.

FARM CREDIT ACT

AMENDMENT RESPECTING ELIGIBLE CLASSES, AMOUNT OF CAPITAL, INTEREST RATES, ETC.

The house resumed consideration in committee on Bill No. C-110, to amend the Farm Credit Act—Mr. Olson—Mr. Faulkner in the chair.

On clause 6—*Agreement re loans to Indians on reserves.*

• (5:00 p.m.)

Mr. Burton: Mr. Chairman, the scope of the agreement called for in subsection 1 between the corporation and the Minister of Indian Affairs and Northern Development is not clear, and I would like to have some further explanation from the minister. For instance, I would like to know whether the Department of Indian Affairs and Northern Development will have complete control over the Indian person's affairs. Will the Indian person have any say in running his own affairs, or will this agreement result in one more extension of the department's powers over the affairs of the individual? Will the Indian person or group have to go through the usual bureaucratic red tape in dealing with the applications?

I have known of many cases where authorizations have been delayed until they were of no value to the persons applying for them. I can give one example that I saw during the past summer. This was an application by a farmer who lives just outside the reserve involved for authorization to purchase seed grain. The authority to purchase the seed grain was received by the Indian farmer after it was too late to use the seed in that season. Will the Indian agent or superintendent have effective control? Will everything have to go through him? Will the Indian person or group have any direct contact with the corporation?

Moving on to subsection 3, I point out that this subsection removes the necessity for a mortgage on the lands involved as security. I can understand that some provision would be necessary in this respect because of the present legislative provisions with regard to the status of Indian lands. Presumably this is one point that will be dealt with under the agreement mentioned in subsection 1. Possibly the agreement will provide for some related measure. But if subsection 3 waives the necessity for a mortgage, it raises still further questions as to the necessity for a special agreement between the corporation and the minister as set out in subsection 1.

Subsection 4 has already been discussed quite thoroughly with respect to the $100,000 limit on loans to a band. This applies, apparently, to all sizes and types of bands and band areas. I want to say that nothing the

minister has yet said with respect to this subsection in any way refutes or denies the case that was presented in regard to the amendment now before us, that in fact there should be some flexibility in the determination of the maximum limit of loans available to an Indian band. I suggest that in fact the subsection proposed in the bill will have the effect of limiting the Indian people with respect to any decisions they wish to make as to the manner and form in which they shall carry on their farming operations. It seems to me there is room for further flexibility in this regard. To that extent I certainly go along with the spirit of the amendment as proposed.

However, Mr. Chairman, there is another aspect of this clause which I think deserves further consideration. It is with respect to the question of what say the Indian people will have in determining the amount of the loan for which they will be eligible, particularly in view of the great variation in the size of Indian reserves in Canada. I feel this is a very important question. I suggested last night in private conversation with the hon. member for Crowfoot, after he had moved his amendment, that in fact there was necessity for further consideration of this point and the hon. member agreed, as he indicated a few minutes ago. As a matter of fact, I was about to move a subamendment when I attempted to obtain the floor just a few minutes ago. Consequently I move:

That the amendment be amended by inserting between the word "corporation" and the word "and" the following: "the council of the band concerned."

Following the amendment proposed by the hon. member for Crowfoot, subsection 4 would then read:

The total amount outstanding of loans that may be made to any one band under this act shall be determined by agreement between the corporation, the council of the band concerned, and the Minister of Indian Affairs and Northern Development, with the approval of the governor in council.

I so move, Mr. Chairman, seconded by the hon. member for Moose Jaw.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, it may come as a surprise to the committee that I should interest myself in this matter, but I assure all hon. members that I do have a concern in the question because I represent in this house an Indian reserve. I refer to the remarks made last night by the minister in his anxiety to answer the hon. member for Kamloops-Cariboo, who had indicated support for

[Mr. Burton.]

suggestions made from this side of the house when he spoke of the tremendous amount of Indian land available for Indian farming. The amount of land available for Indian farming is in excess of six million acres.

When one considers that there are well over 2,000 reservations and well over 500 bands, one has to look very closely at the remarks the minister made last evening when he said, as reported at page 2197 of *Hansard*, that three or more Indians who form themselves into a corporate partnership are eligible to borrow up to $100,000. The question that comes to my mind is: Will they be treated as an individual partnership in the same way as individuals would be in any other form of business? If $100,000 is made available to the band, what is the responsibility of any three in that band who set themselves up as a corporate partnership? What is their responsibility to the band and as to the loan the band itself has received? In other words, will the corporate partners within a band be responsible for their share of the band loan? If this is the case, they can in no way be considered as an individual partnership, because in borrowing $100,000 as a corporate partnership they have set themselves up as an individual group within the band. In this situation, how will the minister and the department be able to hold them responsible for their share of the loan of $100,000 made to the band?

Does the minister consider, as he has already indicated, that not only is a band entitled to borrow $100,000 but any number of band members can set themselves up as corporate partners? If there is a band of say 600 members and they decide to divide themselves up into partnerships of three, you will have 200 corporate partnerships each applying for a loan of $100,000. The minister knows very well what this adds up to in the way of money.

I do not think the minister can legislate fairly by this bill in the form in which it is now before the house. He is telling the Indian people that this money is available but the question arises, where will the money come from if they decide to pursue to the utmost the course I have mentioned? If every band in Canada borrowed $100,000, and the individuals within those bands divided themselves into corporate partnerships of three, the amount of money required just would not be available. I am, of course, exaggerating the situation, but if such a request came from all the Indians in this country the money just would not be available for them.

I repeat, that I do not understand how the minister can put forward the suggestion that a corporate partnership can be set up by any three Indian farmers and they can be held responsible for the $100,000 which may be borrowed by the band itself. I ask the minister under what form of legislation does he expect he can hold people responsible under these conditions?

• (5:10 p.m.)

Mr. Olson: This clause says:

With the approval of the Governor in Council, the corporation may enter into an agreement with the Minister of Indian Affairs—

That is a prerequisite to making loans to anyone on an Indian reservation. The reason is simply that we cannot take security on the land. I am sure that the Minister of Indian Affairs and Northern Development will be consulting with the bands as to what kind of arrangement will be made. That is not the limiting but it is the controlling factor with respect to the extremes that the hon. gentleman mentioned.

Mr. MacInnis (Cape Breton-East Richmond): I will avoid the extremes, which are also possibilities, and again ask the simple question: Under what legislation or what supervision can a separate corporate partnership be set up whereby its members, being band members, can be held responsible not only for the corporate partnership but for the over-all picture of the band? In other words, if the band borrows $100,000 are they, as individual corporate partners, also responsible for the band's share of the $100,000, or are they looked upon as individuals? If they are looked upon as individuals, in what position does this place the band?

Mr. Olson: If the hon. gentleman reads new section 17A (1) he will see that it says:

With the approval of the Governor in Council, the corporation may enter into an agreement with the Minister of Indian Affairs—

What the agreement will entail is of no particular concern to the Farm Credit Corporation. We want to make it as easy as possible for Indians who are farmers to obtain the same services as anyone else who is a farmer. If we get the security of the agreement it is not our concern how that security will be sustained either within the band or between the band. I am sure the band will be able to look after this aspect of it.

Mr. MacInnis (Cape Breton-East Richmond): The minister is confident of what the band can do but once again I ask him a simple question. As the minister responsible for this legislation he should be fully aware what the legislation implies. In the event that a band borrows $100,000 and three individuals set themselves up as a corporate partnership can they, as individuals, be held responsible for the loan of $100,000 to themselves and also for their share of the loan that has been given to the band? Never mind the minister saying read this or read that. Can the individual be held responsible for a loan of $200,000 or can he not?

Mr. Olson: Anyone, whether he be a member of a corporation, a partnership or a band, and to whatever degree he has an equity in the entity, is in fact responsible for it. If three Indians who are farmers enter into a partnership and borrow $100,000 I suppose each one of them is responsible for one-third of it, indeed the whole of it if there is default on the part of the others.

If a band borrows $100,000 and there are 100 members in the band—there could be 500 members in a band but suppose there are only 100—there would be collective responsibility that could be reduced to an individual responsibility of $1,000.

Mr. MacInnis (Cape Breton-East Richmond): That is exactly what I was looking for. The person within a band who sets himself up with two others as a corporate partnership is no longer an individual according to the interpretation placed on this by the minister. In other words, despite the minister's effort to treat the Indian as an individual, on an equal basis with all other Canadians in this just society, he has said that the three individuals setting up a corporate partnership are no longer individuals because they are held responsible not only for their own borrowings but for the borrowings of the band as well. Therefore their individuality, as three men setting up a corporate partnership, is removed from them.

Mr. Alexander: Mr. Chairman, I have listened with great concern to this debate and I am a little confused why a limit has been set in new section 17 (4). The minister indicated that what he was trying to do was to attempt to place the Indian on the same footing as everybody else. If so, of necessity he should not have referred to a sum of $100,000. Therefore, speaking to the subamendment it seems

to me that this can be offensive from the Indian point of view. Whether a band consists of 50 members, 1,000 members of 5,000 members the minister has arbitrarily set a figure that can only mean there will be hardship. There can be no question about that because he has stated that a band can get only $100,000. Yet at the same time he says the government is trying to treat Indians just the same as anyone else. It cannot treat Indians the same as anyone else when it includes a provision like this stipulating that a band is entitled to only $100,000. If he wants to treat the Indian with some respect and appreciate his dignity I plead with the minister to consider the subamendment and the amendment.

If the minister accepts them he will be able to take cognizance of a band consisting of 1,000 people. I am not too well aware of the number of men, women and children that usually form a band, but does the minister not realize that when he stipulates $100,000 he is restricting whatever good this legislation may achieve? I plead with the minister to appreciate the fact that we are dealing with people. He is talking about corporate entities, partnerships and associations. We are dealing with people.

If we are going to move toward the just society, here is an ideal opportunity for parliament, and particularly the government, to be just. Let us recognize that a band can consist of 2,000 people. If we do not recognize that fact then I say this new section smacks of discrimination. It is offensive, and we do not want that record in the first session of this parliament. I ask Liberal backbenchers to pay particular attention to these amendments that are attempting to show there is discrimination. There is discrimination because the bill now says it does not matter how many people are in a band, and no matter what their capital projects are they can get only $100,000. I plead with the minister, let us not be offensive in new subsection 4. Let us be interested in seeing to it that this measure does have some merit.

Mr. Olson: There is no offensiveness in this bill at all. I would remind the hon. gentleman that what we are doing for the Indian farmers, and indeed for bands where farming is undertaken, is exactly the same as what we are doing for anyone else. For a corporation of people who are Canadian citizens other than Indians, if the corporation consists of 100, 500 or 1,000 members the limit it could get would also be $100,000.

[Mr. Alexander.]

Mr. Gleave: Did the minister consult with any of the Indian associations before this proposal was drawn up and ask them how they wanted to approach the matter?

• (5:20 p.m.)

Mr. Olson: What we are doing here, Mr. Chairman, is providing precisely the same provision for Indians as anyone else in the country. There is no special consideration for them but there is certainly nothing less than equal consideration.

Mr. Gleave: This is not an answer to my question. I am not thinking in terms of equality. I am simply asking whether the minister consulted with members or officials of Indian associations before this proposal was drafted?

Mr. Olson: I am advised that there has been consultation with the department of Indian affairs and officers of the Farm Credit Corporation have been on a number of reserves to make appraisals and assessments.

Mr. Gleave: I know that consultations have taken place with the department of Indian affairs. I would expect that representatives of the corporation had been on reserves. I am asking, was there consultation with any of the Indian associations?

Mr. Olson: Not with the Minister of Agriculture. I fail to see the purport of this question because what we are doing here does not make any special provision for Indians separately from any other citizen. What we are doing here is to write legislation to make available to Indians who are farmers precisely the same services as anyone else.

Mr. Gleave: My question was whether consultations had been had with Indian associations. The purport of my question was to ascertain whether the Indians had agreed to this particular procedure. I would assume that quite possibly it was in line with what these people wanted. However, their circumstances are different from mine, for example, as a farmer. I own land in individual right, but in the case of Indian bands the security would not be land as such but would be a different type of security. Surely this is a factual difference and it is the reason I asked the question to ascertain if there had been consultations and if the Indian people considered this provision was what they wanted.

Mr. Harding: Could I put a question to the minister concerning something which is puzzling to me? For example, I understand that

five farmers can combine together as a corporate entity. If they do, I understand they will be allowed to borrow $100,000. Could each member of this group of five decide to go outside the corporation and borrow $40,000 on a separate parcel of land?

Mr. Olson: No.

Mr. Harding: The minister says no. The position, and I think it is a legal position, is that the band is a corporate entity, and if the band secures a loan of $100,000 how can any of the individual members of that group go outside the band and get a $40,000 loan?

Mr. Olson: Well, Mr. Chairman, the hon. member has hit the point. He says an Indian band is a corporate entity. We are not convinced that an Indian band is, legally, a corporate entity and that is the precise reason subsection 4 is in there. It is the only reason.

Mr. Horner: I have one quick question concerning the interpretation of subsection 4 as it now stands. Would the minister agree that it would encourage Indians within a band to form separate co-ops or individual co-ops so as to take greater advantage of this measure?

Mr. Olson: We would hope the passage of this part of the bill would have the effect of encouraging the Indians to follow what they in their own judgment believe to be the best way of making their farm operations more efficient, whether that would be as individuals, small groups or indeed as larger groups. What should be drawn to the attention of hon. members is that this bill does give a substantial advantage in many ways to farmers who are Indians because in most cases there is no requirement to purchase land and all the money can be used for improvements. It is not for the corporation to set up, in my view, arrangements which would make the Indian less capable of obtaining funds to farm by himself if he chooses, to farm in partnership with two or three others if he so chooses. They have a right to make exactly the same choice as other people. The question was asked, what do Indians want? Indians want to be treated the same as everybody else in the country and that is exactly what we are trying to write into this bill.

Mr. Horner: The minister is quite right, that is what we are trying to write into this bill. This is exactly what we are attempting to do. I posed a question to the minister and he answered in a roundabout way but I understood his meaning. I want to present to him the problem confronting the Indian band in my constituency. They have a huge amount of farm land. They are now renting that land to white men and the Indians get a share of the crop. The present chief has explained this problem to me. If a group of Indians were to decide to farm one section of that land, they have to turn over to the band council the same share as the white men are turning over from the land they are farming. This has a very detrimental effect on the initiative of the Indians to go into farming on any large scale. The amount paid to the band council is divided amongst those other Indians who do not have the initiative or do not feel they should get out there and be quite as industrious as others. If the whole band could borrow enough money to become farmers themselves, then this one-sixth share would not have to be returned to the band council.

It is for this reason that I point out to the minister that placing a limit of $100,000 on a band will force Indians to start farming in smaller co-ops and will not solve the real problem because it perpetuates the tendency to reward the least industrious Indians on the reservation and penalize the industrious. If the minister is resolute in his opinion that only he can suggest amendments which should be approved in this house, that is his privilege. He has the majority over there. It is really the duty of members on this side to warn the minister exactly what he is doing. I think we have done this. If the minister is so firm, so hidebound in his attitude toward the amendment which I moved and the subamendment moved by the hon. member for Regina East, then I suggest we cannot get blood out of a stone. We can only vote on the amendment.

I must say the minister is making a mistake. He has suggested a limit of $100,000 be placed on the band as a legal entity. This clause, as it now stands, does that. We are saying, do not put a limit on the amount that can be borrowed at the moment but go through the process of consultation with the bands concerned and with the department of Indian affairs. This does not sound too difficult, particularly when the department of Indian affairs has to be consulted in any case. I will not belabour the point. As I say, you cannot get blood out of a stone. I am sure the minister will realize in the not too distant future that he has made a mistake.

• (5:30 p.m.)

I will go one step further and say the whole bill should have been sent to a committee in the first place, as we recommended. If that had been done, representatives from the Indian bands could have told us exactly what they wanted. But the minister refused to send it to a committee. That was his first mistake and I am sorry to say it was not his last.

Mr. Peters: Mr. Chairman, I have been very interested to see the minister getting support from some of his backbenchers. His statement that he wanted to do the same for the Indians as he did for everybody else was very commendable. That is what all of us want to do.

There are a number of Indian bands with agricultural land in my area, and I would like to see them put in the position to develop those lands and become farmers. The minister has stated that a band is not a legal entity as we understand it, but it is as they understand it and it is also what they understand to be a co-operative. If we allow them to borrow the maximum of $100,000, the Indian bands will be limited to that amount.

In this clause the minister has not differentiated between people other than Indians who borrow from the corporation and Indian bands that borrow from the corporation. In the one case the loan is backed by a mortgage on the land. In the case of the Indians the loan is being backed by a guarantee on the part of the minister of Indian affairs. He really underwrites the loan, as farm improvement loans from banks are similarly underwritten. Instead of holding a mortgage the corporation has an agreement with the minister, acting on behalf of the crown, that the crown holds title to the lands.

If we were really interested in expanding the farming operations of Indian bands, we would not insist on a guarantee from the minister of Indian affairs in the case of a co-operative simply because the band, which I consider a legal entity, has not title to the and used by the band for reserve purposes. As a matter of fact, other lands used by the band which are not reserve lands are also held by the crown in the name of the Queen and administered by the minister of Indian affairs.

It is possible that Indians who are not connected with bands own their lands, in which case a mortgage may be granted. Since such Indians are not living on a reservation they will not be classed by the department as a band.

I suggest that if the minister really wishes to treat Indians in like manner to others, he will have to consider establishing an unlimited ceiling on the amount that can be lent by the corporation to Indian bands. This raises the problem whether or not the corporation should be lending money for this purpose to the minister of Indian affairs. It also raises the question whether or not the department of Indian affairs should operate its own agricultural financing for those Indians on reservations, rather than leaving it to the Farm Credit Corporation. I suggest that the amount that an Indian farmer living on a reservation can borrow should be limited to that amount that the minister of Indian affairs is willing to guarantee.

I think we have to recognize that most of our Indian population is living on reservations. They are members of Indian bands and are not classed as legal entities under the terms of the Indian Act, the Interpretation Act or this act. Therefore, in my opinion they cannot be included within the proposal that is put forth in this bill.

I suggest that under the terms of this clause it is not possible for Indians to establish a co-operative, as is the case under other clauses of the bill. Neither is it possible for them to establish a corporation and to apply to the minister of Indian affairs for a guarantee in return for the title to the lands under this financing procedure.

As I say, Mr. Chairman, I shall be very interested in how hon. members vote on these amendments, particularly members who represent a number of native Indian bands. I shall also be interested to see whether other hon. members who have gone across the country saying that they are willing to give equality to Indians are sincere and will support the amendment and the subamendment which will establish the right of the minister of Indian affairs to give a guarantee beyond the $100,000 limit and to the value of the land that the minister will administer.

I think before this bill is passed the minister should consult with his colleagues on the question of what this final amount should be. I am not one of those who think that the department draws up regulations which accord with what they think the minister has said; they make regulations that accord with what the act says. If no other provision is made in this act, the amount lent to Indian bands will be limited to $100,000. The minister of Indian affairs will be unable to raise

that limit by giving his guarantee. Neither could the Indians take advantage of the normal process under which co-ops, farm corporations and family farm units dictate the number of units that are involved. In my opinion the Indian farm population will not have the same advantages under this act as other farmers who are living off the reservations and who are outside the restrictions that are imposed on Indian bands.

I suggest that members on the other side of the house will have to consider seriously whether this restriction should be imposed on our Indians. The Indian affairs branch is investigating this whole question and they should be given the right to decide how Indian bands can take full advantage of this legislation in the same way as Indians who are not members of a band and can put up their own security and draw up to $40,000 in their own right. I am sure that many others will speak on this subject. I think that the best action they can take is to support the amendment.

• (5:40 p.m.)

Mr. MacInnis (Cape Breton-East Richmond): I wish to direct a question with regard to the $100,000 that is available to any corporate farm. Specifically I wish to talk about how this provision will affect Indians. Does the minister not realize that in this bill Indians are faced with three penalties? The minister's remarks were nothing but window-dressing. Indians who engage in corporate farming are responsible not only for their own $100,000 but they must guarantee the band's share of money. In addition they must turn over one-sixth of their crop to the band. References to Indian partnerships are nothing but window dressing, and considering the remarks of the hon. member for Kamloops-Cariboo last evening I want to know whether he is satisfied with the minister's approach to this matter.

Mr. Olson: In this legislation no restrictions apply to an Indian that do not apply to any other citizen of Canada.

Mr. MacInnis (Cape Breton-East Richmond): Yet a few moments ago the minister clearly said that individual Indians who engage in corporate farming are responsible not only for their own share of the money but for the band's share also. The regulations governing Indian bands require such farmers to turn over to the band one-sixth of their crops.

Mr. Pringle: Mr. Chairman, since I come from an area which contains many Indian reservations I am interested in this clause and in the amendment. I appreciate the arguments and recommendations submitted by members of the opposition, but I wonder whether we are looking at this matter in the correct light. Are we debating an Indian bill or a farm credit bill. Since we are debating a farm credit bill, is there not a danger that we may discriminate against those who are not Indians?

I am sure many hon. members have borrowed money. When corporations borrow money the words "personal guarantee" are frequently heard. The directors of a corporation guarantee a loan jointly and severally. If we remove the ceiling on any money that may be advanced to our Indian population, are we not discriminating against those who are not Indians and not entitled to the same privilege? Parliament can allot only so much money to the Farm Credit Corporation. The amount is not unlimited. I therefore suggest that we ought to treat everybody equally and not discriminate against those who are not Indians.

Mr. Peters: Mr. Chairman, I am confused by the minister's most recent remarks. Does he not consider the ownership of land as the basis for any guarantee that is given to the corporation with respect to money lent? Yet individual Indians in a band do not own individual parcels of land. Has the minister considered that? Is there not a difference under this legislation between the Indian who individually owns no land and a man who does own land?

Mr. Olson: No, Mr. Chairman, there is no difference so far as the law is concerned. The hon. member may know that because of provisions with regard to Indians in bands giving security we are making a provision that will enable farmers who are Indians to give security with regard to the land that they farm in virtue of other acts. In other words, as a result of action taken by the minister of Indian affairs, Indians will have access to services available to everybody.

Mr. Peters: Mr. Chairman, I do not know that at all. I do not think the Farm Credit Corporation can obtain a deed to a piece of reservation land. That land is not held by the Indians themselves but by the minister of Indian affairs for the crown. Though an Indian may have a share in the band's land, his share of 10 acres, 150 acres, and so on, does

not consist of this parcel here or that parcel there. He cannot put his land up as security. If I go to the corporation and ask for a loan I put my land up as security. If I rent a piece of land from ARDA or anyone else, I cannot put that up as security. How then can an Indian, who has no direct ownership of his land, put it up as security for a loan from the corporation? The individual Indian, as I said, has no specific right to any specific part of the reservation and I fail to see how under these circumstances an Indian will enjoy the same benefits that a man who is outside the reservation will enjoy. The minister seems to think that a guarantee by the minister of Indian affairs will be enough.

A loan of $100,000 to a small reservation will have a different effect from a similar loan to a large reservation. This is a matter that ought to be considered. Frankly, I do not think the effect of this legislation will be the same for everyone.

Mr. Olson: These amendments are to make sure that we respect the right of an Indian to his share, and so on. The hon. member knows we cannot take a mortgage on any part of the reservation, and that is why we are asking for an agreement to be substituted for a mortgage.

• (5:50 p.m.)

Mr. Peters: If this is true, and that is what I assumed in the first place, what is the minister's objection to accepting a guarantee for an amount much higher than $100,000? In referring to the minister of Indian affairs he is really asking the Crown to make a guarantee. I should like to know why he thinks it should only be made to the extent of $100,000 rather than in terms of the size of the reserve, the number of people living on it, and similar considerations.

Some hon. Members: Read the note.

Amendment to the amendment (Mr. Burton) negatived: Yeas, 43; nays, 56.

Amendment (Mr. Horner) negatived: Yeas, 43, nays, 67.

Mr. Macdonald (Rosedale): I should like to move:

That subsection (1) of section 17A of Bill C-110, An Act to amend the Farm Credit Act be deleted and the following substituted therefor:

"17A. (1) With the approval of the Governor in Council, the Corporation may enter into an agreement with the Minister of Indian Affairs and Northern Development for the purpose of enabling loans to be made under this Act to farmers who are Indians on reserves, to farming corporations and co-operative farm associations the shareholders or members of which are Indians on reserves and to bands engaged in farming operations on reserves."

Mr. Horner: This amendment is really redundant. It means very little, but I am sure that we on this side will accept it.

Some hon. Members: Hear, hear.

Mr. Horner: We are generous. I wish I could say the same for you.

Mr. Burton: So far as we are concerned this is a technical amendment to which we have no objection. However, I would like to point out that when questions were asked earlier about the scope or nature of the agreements envisaged between the corporation and the minister of Indian affairs they were not answered.

Amendment (Mr. Macdonald (Rosedale)) agreed to.

Clause as amended agreed to.

Clauses 9 to 13 inclusive agreed to.

Title agreed to.

The Chairman: Shall the bill as amended carry?

Some hon. Members: On division.

Bill reported.

Mr. Speaker: When shall the bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Olson moved the third reading of the bill.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I move, seconded by the hon. member for Regina East (Mr. Burton):

That Bill No. C-110, An Act to amend the Farm Credit Act, be not now read a third time, but that it be referred back to the committee of the whole house for the purpose of reconsidering clause 5 thereof.

Some hon. Members: Six o'clock.

• (6:00 p.m.)

Some hon. Members: Question.

Some hon. Members: Six o'clock.

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, would the house leader indicate the government's proposed plan of business for tomorrow?

Mr. Macdonald (Rosedale): Mr. Speaker, if it would be possible to call the vote on the

amendment now and then proceed with third reading, we could then go on tomorrow with the business outlined and discussed with hon. gentlemen opposite. I do not know whether there would be a disposition on the part of the house to deal with the amendment and also third reading.

Mr. Horner: No. Six o'clock.

Mr. Speaker: It being six o'clock, this house stands adjourned until 2.30 o'clock tomorrow afternoon.

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

HOUSE OF COMMONS

Thursday, October 31, 1968

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that a communication has been received which is as follows:

Government House, Ottawa.
31 October, 1968

Sir:

I have the honour to inform you that the Right Hon. J. R. Cartwright, P.C., M.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 31st October 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,
Esmond Butler
Secretary to the Governor General.

RESEARCH

WINNING OF NOBEL PRIZE BY FORMER CANADIAN RESIDENT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to draw to the attention of the house the fact that Dr. G. H. Kharana has been awarded the Nobel prize in medicine. Dr. Kharana is an Indian by birth. He was educated in India and at Oxford University. He came to Canada in 1952 and worked at research in the British Columbia Research Council until 1957, when he went to the University of Wisconsin and, as I have said, has won the Nobel prize for his outstanding work in the field of nucleic acid in the genetic code.

I am sure all Canadians will have a great sense of pride in the accomplishments of a doctor who worked for seven years in our scientific research centres and then went on to win the coveted Nobel prize in medicine. This is an indication of the high level of research that can be carried on in Canada.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. I should perhaps mention that the hon. member's statement does not qualify as a question of privilege, but I am sure hon. members were pleased to hear the hon. member's statement.

PRIVILEGE

MR. MACINNIS—REPORTED STATEMENTS RESPECTING PATRONAGE IN OTTAWA AREA

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege arising from the question asked by myself in the house yesterday and the answers given by the Prime Minister. First of all I definitely recall, as do other members sitting in this vicinity, my original question. I quote only the latter part in order to draw attention to the very important words that have been left out, in which the Minister of Justice referred to the Solicitor General as the senior member, while being questioned on matters of patronage in and around Ottawa. The way it is reported in *Hansard* is "the senior member in matters of patronage in and around Ottawa." I would refer also to the remarks of the Prime Minister when he said he was misquoted by the hon. member for Cape Breton-East Richmond.

Mr. Trudeau: What page?

Mr. MacInnis (Cape Breton-East Richmond): It is page 2216 of *Hansard,* the first column. The Prime Minister said he was misquoted by the hon. member for Cape Breton-East Richmond. Then the Prime Minister said:

> The reason I did not answer right away was that I suspected there might be a misquote coming from the hon. member.

The Prime Minister further referred to my record of asking questions in this house. I regret very much that I cannot allude to the answers that are provided. In addition the Prime Minister went on more or less—and of course this is open to interpretation—to say that he had not witnessed the program about which I was speaking. Then, as is reported in *Hansard* on the same page, that is page 2216, I referred to the use of the word "probably" by the Prime Minister in this connection.

The question originally arose because of statements made by the Prime Minister in Halifax when he alluded to practices carried on in Nova Scotia, and I think it was absolutely necessary to make this statement. I would say, further, that there is now public

knowledge of the support of the statement made by the Minister of Justice when he was being questioned on the matter of patronage in Ottawa. I say this is public knowledge because the Ottawa *Citizen* of yesterday quoted the Minister of Justice answering a question. For the benefit of the minister and the Prime Minister I would repeat the question that was put to the minister while on a television program:

During a CJOH interview, Doug Fisher, with his tongue practically sticking through his cheek suggested gently that since Turner was in the senior government spot of Ottawa M.P.'s, wouldn't he now be the one in charge of government patronage and handouts?

Said Turner, after maybe a half-second delay: "Whatever happens, I shall always consider George McIlraith the senior Ottawa M.P."

I call Your Honour's attention to the fact that the question put to the Prime Minister, despite the rules, was answered by the Minister of Justice. I take no exception to his answer, but it is clearly indicated in press reports that the direct question to the Minister of Justice was on the matter of patronage and no other question.

• (2:40 p.m.)

His answer, although he did not use the word "patronage"—

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, if I have to put up with this cheering—

Mr. Speaker: Order, please. I suggest to hon. members that the hon. member should be given the opportunity to complete his statement.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, as I was about to remark, it is very difficult to get a point across when the group on my right which acts as nothing more than a cheer leading group in this house continues to interrupt. In finalizing my question of privilege in this regard I would refer hon. members, especially the Prime Minister, and the Minister of Justice to the Ottawa *Citizen* of yesterday.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, on the question of privilege—

Mr. Speaker: Order, please. The hon. member has made a statement. He rose on a question of privilege, but it would seem to me it is more in the nature of a clarifying statement. I doubt very much whether anything could be gained by pursuing the matter further. Yesterday we had a very interesting exchange on this subject. I hesitate to do anything at this moment which might precipitate a further debate of the nature we had yesterday. There are a number of other questions of privilege of which I have received notice. If we are to proceed with the business of the house this afternoon we might go on with the next one.

[Mr. MacInnis (Cape Breton-East Richmond).]

MR. MCGRATH—POSTAL FACILITIES IN ST. JOHN'S, NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question of privilege is as follows. On September 26 I wrote to the Postmaster General pointing out to him that while the city of St. John's had almost doubled its population in the past 20 years, postal service had not kept pace with this population growth and that we still have the same number of postal stations we had 20 years ago. Specifically I asked the minister to have his department examine the possibility of a new post office in the northeast area of St. John's.

My letter was sent on September 26. Today is October 31 and I still have not had a reply even by way of acknowledgement. My question of privilege does not relate to the obvious administrative inefficiency of the minister—

Some hon. Members: Oh, oh.

Mr. McGrath: —although I may say in passing that if this is the way he ran the Montreal stock exchange—

Mr. Speaker: Order, please. I must ask the hon. member to co-operate by stating his question of privilege.

Mr. McGrath: Mr. Speaker, as I just said my question of privilege does not relate to the administrative inefficiency of the minister. Rather it relates to a situation which arose in St. John's yesterday. A private citizen and well known Liberal said he was authorized to announce on behalf of the Minister of Defence Production that the government intends to improve existing postal facilities and to build a new post office to cover the northern part of the city.

Some hon. Members: Hear, hear.

Mr. McGrath: My question of privilege is that as an hon. member of this house I am entitled to information concerning the administrative plans of the government, and am entitled to this information specifically

when it refers to my constituency; more especially am I entitled to it when I have requested it in writing.

In the past several months we have heard from the Prime Minister and the Postmaster General a great many hollow words about the ending of patronage and undue partisanship. It is evident from the facts of the case I have stated that the minister is allowing his department to be used as a tool for a propaganda campaign by the Liberal party rather than as a public service—

Some hon. Members: Oh, oh.

Mr. McGrath: —in the operation of which all hon. members of this house have a legitimate interest.

Mr. Speaker: Order, please.

Mr. Carter: Mr. Speaker, on the same question of privilege—

Mr. Speaker: Order. The hon. member had given me notice of his proposed question of privilege. It is the duty of the Chair, after having heard the statement by the hon. member, to determine whether there is a prima facie case of privilege and whether he should be allowed to make a motion for further action by the house based on the question he has raised.

No such motion was advanced. In any event I doubt very much whether there is more than a grievance, legitimate or otherwise. I doubt very much whether it is the type of grievance which should be considered by the house as a proper question of privilege, and I would have to rule along those lines. This ruling having been made, I suggest to hon. members that there should be no further debate on the question but rather that I should be allowed to call the next hon. member who has a question of privilege.

Mr. Carter: I rise on a point of order, Mr. Speaker, and I am speaking to the same question of privilege.

Mr. Speaker: Order, please. Will the hon. member resume his seat, please? I just made a ruling that there is no question of privilege; therefore there cannot be further discussion of the matter. I am sure the hon. member will want to accept the ruling of the Chair at this point.

[*Translation*]

INSUFFICIENT STAFF AND FACILITIES FOR COMMITTEE WORK

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to rise on a question of privilege which concerns all hon. members in this house, not only the French-speaking members.

On several occasions since the beginning of this session, I have noticed the lack of interest shown about the committees with regard to the simultaneous translation and the translation of the proceedings into French. A quick inquiry showed me that there were not enough translators and interpreters available to meet at the same time the needs of the House of Commons, the Senate and the committees.

Again this morning, and that is the last straw, when the committee on external affairs and national defence met in camera to prepare its second report, the only interpreter in attendance could not do his work properly because the sound system was not working well.

Mr. Speaker, I am by no means blaming the interpretation service which does a very good job; I merely say that they are too few to meet the requirements of this parliament.

Consequently, I move, seconded by the hon. member for Villeneuve (Mr. Tétrault), that the house adjourn the business of the committees as long as an adequate number of people has not been hired to ensure the efficient operation of the committees.

Mr. Speaker: Order. I thank the hon. member for having given me, as required by the standing orders, notice of his question of privilege, which gave me time to start inquiring into his grievance. I think the member is right in complaining about the situation to which he refers in his motion and in rising on the question of privilege.

I would ask him to wait a few days to give me the opportunity to study the situation a little more closely and then I may be in a position to make a statement in the house or, if it is satisfactory, directly to the hon. member, in order to improve the situation about which he rightly complains.

COMMITTEES OF THE HOUSE

HEALTH, WELFARE AND SOCIAL AFFAIRS—FIRST REPORT OF STANDING COMMITTEE

Mr. Gaston Isabelle (Hull) presented the first report of the standing committee on health, welfare and social affairs and moved by leave that the report be concurred in.

[*English*]

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

Mr. Arnold Peters (Timiskaming): Mr. Speaker, early in the session the house established its list of committees, and today three committees are reporting to the house asking for leave to sit while the house is sitting. I am sure Your Honour is aware of the difficulty that has arisen as a result of the number of committees that are sitting each day. For example, for today there was a pretty full slate. I suggest that if each of these committees is going to report to the house and ask for leave to sit while the house is sitting, the situation will become impossible.

• (2:50 p.m.)

May I recall the incidents that arose earlier this week, when on two occasions a quorum was called in this chamber. Since on two occasions there has been difficulty in obtaining a quorum in this house, the situation might well become aggravated. I therefore oppose the adoption of this report. I ask Your Honour and the house leaders to reconsider the advisability of allowing a number of committees the indiscriminate right to sit while the house is sitting, since we have already experienced difficulties in having hon. members attend the house.

Committees ought to meet on specific days. Naturally, if delegations are brought to Ottawa from some distance away and are to appear before a committee, I concede there is a legitimate reason for that committee to sit while the house sits, and I might have no objection to allowing such a committee to sit for eight, ten or 12 hours in one day though normally I should be opposed to the idea of committees sitting while the house is sitting. Committee work has become exhausting for hon. members rather than edifying. The time hon. members spend in committee work represents a great part of the time they have available for all work, the result being that the operation of the house is interfered with.

If rules are to be changed in such a way that hon. members have no say in the changes, it seems to me no one will give credence to the proposition that hon. members must, as a primary duty, be in attendance in this house. Changes ought to be brought up in the committee on procedure and should be applicable to all committees; otherwise we might see an abuse of privileges enjoyed by committees.

[Mr. Isabelle.]

For that reason I am opposed to the adoption of this report today.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, perhaps I might address a few remarks to the house on this matter. The hon. member may not be aware of this, but there is in operation a consultative system among all parties of the house which is carried on by way of a co-ordinating committee set up for the purpose of co-ordinating the business before the committees. The hon. gentleman's party, in common with all other parties here, is represented on that committee. It is the express purpose of that committee to so regulate the business before the standing committee of the house that the situation he is concerned about will not arise.

I agree that if committees are indiscriminately called to sit at the same time, either before the house sits or while the house is sitting, difficulties may be created. To avoid that risk there is this co-operative arrangement to co-ordinate the work of the committees.

The purpose of the motion moved on behalf of the standing committee on privileges and elections is specifically as a result of that effort to regulate our business generally, so that our committees can sit. In other words the work is to be carried on as suggested by the co-ordinating committee, in which it is decided how our committee work can most effectively be carried out.

I hope the hon. member withdraws his opposition to this matter, since it is a co-operative arrangement that has been worked out among the various groups here.

Mr. Peters: Mr. Speaker, the question before us has nothing to do with the committee on privileges and elections. It seems to me that the health and welfare committee has jumped the gun, and I am suggesting that this matter be held up until it can be decided by the house.

Mr. Speaker: Is the house ready for the question?

Mr. Bell: Mr. Speaker—

Mr. Speaker: The house must give unanimous consent before a motion can be made for concurrence in the report. Since there is obviously not unanimous agreement I suggest that we do not proceed further.

[*Translation*]

PRIVILEGES AND ELECTIONS—FIRST AND SECOND REPORTS OF STANDING COMMITTEE

Mr. Ovide Laflamme (Montmorency) presented the first and second reports of the standing committee on privileges and elections and moved that the first report be concurred in.

[*English*]

Mr. Peters: Mr. Speaker, I have the same objection.

JUSTICE AND LEGAL AFFAIRS—FIRST REPORT

Mr. D. R. Tolmie (Welland) presented the first report of the standing committee on justice and legal affairs, and asked for unanimous consent to move that the report be concurred in.

Mr. Peters: Mr. Speaker, I have the same objection.

[*Note: For text of above reports, see today's Votes and Proceedings.*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF OLYMPIC BRONZE MEDAL WINNER

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to draw to the attention of the house the fact that we have today in the Speaker's gallery Miss Angela Coughlan of the bronze medal winning women's free style relay team. I think we should extend a hearty round of congratulations to her as representative of the great achievements of all our medallists.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Trudeau: Mr. Speaker, I would like to take this opportunity to congratulate all the excellent young athletes who have just finished representing Canada at the Mexico Olympic Games. They are the finest young athletes our country has produced and they have taken the time and trouble to carry the name of Canada before the eyes of the world, often at great personal expense.

[*English*]

They are all too often unsung heroes, their efforts unnoticed or even belittled unless they win, and this notwithstanding the fact that in most cases they have arrived at world standards of competition entirely through their own efforts, unlike the athletes of other countries who have the benefit of massive state support.

For their achievements all Canada applauds them, and I and my government join in the applause. I should like to take particular notice of our fine teams of swimmers and equestrians, who produced five medals for us including one gold. To these athletes go our special thanks for an outstanding job.

Some hon. Members: Hear, hear.

• (3:00 p.m.)

EXTERNAL AFFAIRS

TABLING OF CORRESPONDENCE BETWEEN CANADIAN AND NIGERIAN AMBASSADORS TO UN

Hon. Mitchell Sharp (Secretary of State for External Affairs): I ask leave of the house to table an exchange of correspondence between the ambassador and permanent representatives of Canada to the United Nations and the ambassador and permanent representatives of Nigeria to the United Nations dated October 24, relating to the question whether the Nigerian government would or would not oppose flights into rebel-held areas from Sao Tomé by churches using Hercules aircraft.

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

Mr. Andrew Brewin (Greenwood): Could I suggest that this be made part of the *Hansard* record today so we might all have the benefit of reading this material?

Mr. G. W. Baldwin (Peace River): Would the minister indicate whether this is the total correspondence?

Mr. Sharp: Yes. This correspondence arises out of a question directed to me by the hon. member for Greenwood. I passed the question on through our permanent representative at the United Nations to the permanent representative of Nigeria. This is the ambassador's letter, and the reply.

Mr. Speaker: Is it agreed that this correspondence form part of today's record in *Hansard*?

Some hon. Members: Agreed.

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

Inquiries of the Ministry

CRIMINAL CODE

AMENDMENT TO REMOVE ATTEMPTED SUICIDE AS AN OFFENCE

Mr. Kenneth Robinson (Lakeshore) moved for leave to introduce Bill No. C-123, to amend the Criminal Code (attempted suicide).

Some hon. Members: Explain.

Mr. Robinson: I am pleased to have the opportunity to introduce this bill. The section of the Criminal Code referred to presently reads as follows:

> Everyone who attempts to commit suicide is guilty of an offence punishable on summary conviction.

Obviously suicide itself is not an offence, and it therefore seems ludicrous that attempted suicide should be considered an offence. The purpose of this bill is to remove an attempt to commit suicide from the category of offences mentioned in the Criminal Code and to restrict it to the field of medicine, its rightful place.

Motion agreed to and bill read the first time.

UNITED NATIONS

ABSTENTION BY CANADA IN VOTE ON SANCTIONS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to direct a question to the Secretary of State for External Affairs and ask him to inform the house as to the basis of Canada's abstention from a vote last night in the trusteeship committee of the United Nations general assembly. The motion before the committee would have enforced economic sanctions against South Africa and Portugal, and would have called on Britain to use force in Rhodesia.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Canada's abstention in connection with the resolution voted upon on October 30 in the trusteeship committee, which as the hon. gentleman knows is the fourth committee of the general assembly, arose from the fact that the resolution contained a number of unacceptable paragraphs, including calls for the use of force to which the government is opposed. We did not vote against the resolution because, despite some of its injudicious provisions, its objective was to express dissatisfaction with the present situation in Rhodesia.

Mr. Stanfield: I gather from the minister that the government was opposed to armed intervention in Rhodesia. But what is the position of the government of Canada with regard to the call for sanctions against South Africa and Portugal?

Mr. Sharp: We doubt whether this is a practical proposition at the present time.

Mr. Diefenbaker: The government was awfully hopeful of success two years ago.

AGRICULTURE

CORN—VALUE FOR DUTY ON IMPORTS FROM U.S.

On the orders of the day:

Mr. Arnold Peters (Timiskaming): My question is directed to the Minister of Agriculture. On October 29 the minister informed the house that after full consultation with the United States, as he put it, he was able to announce a base price of $1.05 for U.S. corn entering Canada. In view of the statement appearing in the press today by Mr. Orville Freeman, United States secretary for agriculture, indicating that no agreement at all had been reached in connection with the Canadian move, can the minister tell the house with whom, in fact, the agreement he spoke of was reached?

Hon. H. A. Olson (Minister of Agriculture): I did not say we had reached agreement with the United States. I said we had held negotiations and discussions with the United States.

Mr. Peters: Can the minister tell us with whom his officials negotiated, if the discussions were not brought to the attention of the secretary for agriculture?

Mr. Olson: I think there is some distinction, at least, to be drawn between discussion and agreement. I said we had held discussions, not that we had reached agreement. The discussions took place between officials of the Department of Agriculture, the Department of External Affairs, the Department of Trade and Commerce and other government departments concerned, and officials of the United States government.

Mr. Peters: In view of the statement by Mr. Freeman that the United States would consider retaliation or demands for compensation, will the minister stick by his commitment to the house to maintain the United States import level at $1.05?

Mr. Olson: We are prepared to continue the discussion with the United States officials

covering such questions as compensation or whatever they wish to discuss. I do not think it would be proper for me to give any indication of what we intend to stick by. The announcement made in this house represented government policy, and until we decide otherwise it will remain government policy.

Mr. George Muir (Lisgar): Can the minister assure the house he will make the same arrangements in the case of vegetable oils imported into this country?

Mr. Olson: The hon. gentleman knows that the subject of vegetable oils and the possibility that such oils have been dumped into this country is now under active investigation by the Department of National Revenue.

[*Translation*]

SPORTS

INQUIRY AS TO LEGISLATION TO PROVIDE ASSISTANCE

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

In view of the presence in the galleries of the brilliant athletes who represented Canada at the recent Mexico Olympic Games, does he intend to introduce, during the current session, legislation to help Canadian athletes in general who represent Canada at various international competitions at their own expense, as several athletes did in the recent Mexico Olympic Games?

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Perhaps I might answer that question. The government does not contemplate legislation until it has had a chance to study the report of the task force.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a supplementary question to the hon. Minister of National Health and Welfare.

Would his government consider instead creating a sports department?

[*English*]

Mr. Munro: That would be a matter of policy to be announced in due course if a decision of that kind were made.

[*Translation*]

Mr. La Salle: Mr. Speaker, the minister answered that the matter would have to be taken under consideration. Could I ask him to do that?

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question arises out of the pertinent and effective words of the Prime Minister in drawing attention to the presence of Canadian athletes in the gallery and the fact that Canada, represented by them, has done as well under the circumstances as was to have been expected.

In view of the fact that international prestige is measured to a greater degree than ever by success at Olympics, and considering the number of members in this house who have been outstanding athletes, including the Prime Minister—we had wins in the swimming events; we didn't do so well in the diving—would the Prime Minister give consideration to setting up a committee of the house at the earliest possible date so that, as a result of recommendations made by it, young men and women across Canada may be placed in a position that by the time the next Olympics come around they will have had adequate opportunities for training and assistance which will enable Canadian athletes to multiply the number of awards secured by Canada during the Olympics just ended?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, as the Minister of National Health and Welfare just indicated there is a task force dealing with this matter. Its precise purpose is to go about the country and get information of this type. After it has been reported to the minister he will raise the question in cabinet and we will examine the most effective way of dealing with the problem.

Hon. Robert L. Stanfield (Leader of the Opposition): As a supplementary question, Mr. Speaker, is this task force to be chaired by the minister himself?

Mr. Munro: Mr. Speaker, I think the Leader of the Opposition should know that the task force has been in operation for three months under the chairmanship of Dr. Harold Rea. The other members are Miss Nancy Greene and Dr. Paul DesRuisseaux.

[*Translation*]

AIRPORTS

MONTREAL—STEPS TO SETTLE DISPUTE WITH TAXI DRIVERS

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a question to the hon. Minister of Transport.

Inquiries of the Ministry

In view of the serious troubles which developed yesterday in Montreal, does the minister intend to take steps to settle the conflict between the Montreal taxi drivers and the Murray Hill company concerning the transportation of passengers to Dorval airport?

I would also ask the minister to tell us whether he intends to appoint a mediator immediately, in order to end the monopoly of the Murray Hill company in Dorval, which is detrimental to the Montreal taxi drivers and contrary to the principle of free competition?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have a very long answer to this question, and I suggest that I either be given permission to revert to motions to read it or that the house agree to have it taken as read at this stage and included in *Hansard*.

Mr. Speaker: Is it agreed that the minister has leave to revert to motions for the purpose of reading his statement?

Some hon. Members: Agreed.

Mr. Hellyer: Mr. Speaker, departmental policy in ground transportation at airports is founded on long experience in Canada and abroad. If adequate service to airline passengers is to be provided, ground transportation arrangements must be carefully controlled and planned to ensure service to meet fluctuating and peak demands and availability regardless of weather, or time of day or night.

Quite apart from the lack of availability, over-all higher costs can result to travellers unless the transportation is controlled and regulated in accordance with contractual arrangements, since an uncontrolled open door policy leads to skimming of the cream at busy times, with resultant inadequacy of service and over-all higher costs at other times. Also, services must operate in accordance with provincial and municipal laws relating to licensing and rate regulation.

Within the limits of these objectives it is departmental policy to provide the various types of commercial ground transportation that the public require by one or more concession or contractual arrangements, usually by a single concession. The four main categories are airline bus service, special limousine zone service, meter taxi service and common carrier public transportation service by bus.

[Mr. Valade.]

The concession arrangements at Montreal airport cover the airline bus and limousine service. The concessionaire also experimented with the provision of meter taxi service at the airport, but demand was slight and this particular service has been discontinued, although the matter is again under review. It should be noted in this connection that the bus and limousine service are properly licensed by provincial authorities. Further, any meter taxi service would require to be licensed by Dorval municipal authorities, and the taxi drivers from the city of Montreal who have been involved in the protest apparently do not hold municipal authorization for service at the airport. Common carrier bus service is not available to and from the airport but it is hoped that a responsible common carrier will, at some stage, demonstrate an interest in providing service on a normal commercial basis, as is already done at Toronto airport.

As regards the demonstrations at Dorval it is understood that these were organized by taxi drivers from the city of Montreal. With this group were associated a substantial number of students, whose interest in this subject is less clearly understood, particularly since as far as can be ascertained they do not understand and have not made any attempt to ascertain the facts regarding the nature of and reasons for present policy relating to airport ground transportation.

The demonstrations in the main took place on the road system approaching the airport rather than on airport property. Some violence developed on the part of demonstrators. There was no substantial damage to airport property, but there was some damage to vehicles of the company providing the ground transportation service to and from the airport.

The excellent co-operation and restrained conduct of municipal, provincial and federal police forces assisted materially in keeping the situation under control and preventing it from becoming worse. It is also understood that following the episode at the airport the demonstrators, or at least some of them, turned their attention to other objects in the metropolitan area having nothing to do with aviation.

[*Translation*]

Mr. Valade: I think, Mr. Speaker, that the statement just made by the hon. Minister of Transport does not at all answer my previous questions when I asked him if the government intended to obtain the services of a

mediator in order to try avoiding the serious troubles that have developed and are apparently continuing at the Dorval airport?

I am more worried about the fact that the hon. minister does not at all seem to realize the seriousness of a situation which did not develop suddenly and which, on many occasions, was a cause for grievances and correspondence between his department and the Montreal taxi drivers' association.

Furthermore, the hon. minister, in his statement, is trying to minimize the basic problem which is, on the whole, unfair competition against the taxi drivers in the field of free enterprise. Taxi drivers are obviously entitled to protest, Mr. Speaker, that there is at Dorval a monopoly being enjoyed by a firm called Murray Hill. This is the only such situation existing at air terminals all over the world. According to the information I have been able to obtain, no other air terminal in the world has been granted by the governmental or any other authority an exclusive franchise in the matter of transportation.

• (3:20 p.m.)

I cannot understand why the hon. minister has not shown a more conciliatory attitude and why he would not try to understand the basic problem which is, in fact, a monopoly enjoyed at the expense of other private interests, free enterprise and taxi drivers, many of whom have a family to support and must earn a living.

Mr. Speaker, I think this matter was brought to the attention of the federal authorities last year. The situation was not so serious then, because a great number of tourists were going to Expo '67. Now that the situation is normal again, I believe that the taxi drivers are in a position where they are unable to do their work and earn a decent living. This problem is basically human and it comes under the federal authorities.

In my opinion, Mr. Speaker, the hon. minister should immediately appoint a mediator to try to reconcile the parties, in order to find formulas which would enable the two interested parties to agree.

The statement of the hon. minister does not satisfy me; certainly, it will not satisfy the interested parties and I am afraid the situation might worsen.

Mr. Gilbert Rondeau (Shefford): I would like to put a supplementary question, Mr. Speaker.

Mr. Speaker: Order. I remind the hon. member that we are on motions, and the members of the opposition parties can make comments on the statement of the hon. minister. If there are no more comments we will revert to questions and I shall give the hon. member for Shefford the opportunity to put his question.

Mr. Rondeau: Mr. Speaker, I would like to make comments at this stage, since the question is often raised in the house and, as we can see, will come up again.

It seems to me that we should ask the interested parties, namely the Murray Hill company and the Association des propriétaires de taxis de la ville de Montréal, to appear before the committee on transport and communications, so that we might be informed on the two aspects of the question. After that we might make a better decision on the advisability of having a mediator appointed by the federal government in the present case.

[*English*]

NATIONAL CAPITAL

INQUIRY AS TO ESTABLISHMENT OF PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development who curiously enough, it seems to me, is the minister reporting for the national capital. Having in mind the reported controversy between the Ontario officials and officials of the city of Ottawa respecting construction of buildings adjacent to the parliament buildings and the planning of the national capital downtown area, when will the minister make a decision as to the setting up of the parliamentary committee to consider all matters concerning the national capital? This committee was approved during the last parliament.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I do not have the slightest idea as to when this committee will be established, but it will certainly be done at the appropriate time and I hope it will be soon.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister a supplementary question. Pending the setting up of the committee, will he find an appropriate opportunity to make a statement on behalf of the government and the people of

Canada indicating the interest of all the people of Canada in this capital city?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker ,as far as the national capital problem is concerned, it is well known that there is a commission with representatives from the government of Ontario, the federal government and the government of Quebec. It is expected that this committee will report, and we shall then certainly be able to set forth the general policies concerning the national capital.

[*English*]

THE CANADIAN ECONOMY

NEWFOUNDLAND—REPRESENTATIONS RESPECTING REGIONAL DEVELOPMENT

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I preface my supplementary question by congratulating the minister on his very fine statement to the Atlantic provinces' council yesterday. In view of the fact that the provincial governments are co-operating in developing the economies of the Atlantic region has the minister received any representation or blueprint from the Newfoundland government in respect of the development in that area?

Mr. Speaker: Order, please. I doubt that this question is supplementary to the previous question. However, the question has been asked and I will allow the minister to reply.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, as far as I know, I have not received any general plan concerning the development of Newfoundland.

[*English*]

Mr. Lundrigan: Mr. Speaker, the minister has indicated that he is going to need the co-operation of the provinces in developing this plan. Has the minister contacted the province in respect of the development which is planned for the next 15 years?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, before going as far as suggested, the department should at least be set up officially and the minister informed exactly of the powers to be conferred on him by the house.

[Mr. Knowles (Winnipeg North Centre).]

[*English*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, now that the minister has visited the city of Sydney and witnessed the wonderful job done by the government of Nova Scotia, is he now in a position to release the Devco report?

[*Translation*]

Mr. Marchand (Langelier): No, Mr. Speaker.

[*English*]

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct a supplementary question to the most promising minister on the government benches, the Minister of Forestry and Rural Development. Was the minister announcing the government's list of priorities for regional development in the Atlantic provinces when he stated in Halifax that the big push may call for a multi-million dollar deep water terminal, for faster highway links to central Canada, for cheaper power—perhaps tidal power—and if so when may we expect to see a start made on these necessary and worthwhile projects?

Mr. Speaker: Order, please. As the hon. member knows, he must ask a question directly. He cannot ask the minister to confirm a statement made outside the house.

CANADA LABOUR CODE

INQUIRY AS TO IMPLEMENTATION OF REGULATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday of this week I asked the Minister of Labour a question regarding the regulations under the Canada Labour (Safety) Code. I also asked him a question regarding the operation of this legislation in the province of Manitoba. He promised to answer on Wednesday, but yesterday things were pretty crowded and he did not get a chance to do so. I hope he has an answer today.

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker the hon. member asked a question in two parts. The first was whether the regulations in respect of our safety code had been completed. The answer is no. On the other hand, the hon. gentleman will be pleased to know that we are working quite effectively in the province of Manitoba where

we have visited 125 industries under federal jurisdiction. I have given priority to the establishment of regulations recognizing the dangers in the mining industry. We are working very assiduously in the Cape Breton area at the present time to complete all the regulations pertaining to mines in that area.

[*Translation*]

COMMUNICATIONS

CO-OPERATION WITH FRANCE IN SPACE AND SATELLITE RESEARCH

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask the Secretary of State for External Affairs a question.

At the beginning of October 1968, at a meeting of the United Nations, he met the foreign minister of France regarding the co-operation of France and Quebec in the field of satellite telecommunication. He then promised to present a statement to the house on that matter. Therefore, I ask the hon. minister whether such negotiations are under way between the representative of France and those of Canada, in the field of satellite telecommunication.

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government of Canada has made direct representations to the government of France on this subject.

NATIONAL SECURITY

JAMES EARL RAY—ALLEGED POSSESSION OF FORGED CANADIAN PASSPORT

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Justice whether a charge has been laid against anyone in reference to the passport issued to Mr. Ray and, if a charge has been laid, what court is it before and what is the nature of the charge?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I have nothing to add at the moment to what the Solicitor General said to the hon. member in reply to his question on Tuesday.

Mr. Woolliams: Mr. Speaker, I did not ask this question of the Solicitor General. With the greatest respect, I understand the Minister of Justice is looking after the administration of justice in this country. Has a charge been laid against the person recommending the application of Mr. Ray and, if so, what kind of a charge and what court is it before?

Mr. Turner: Mr. Speaker, I cannot add to what has already been said by the Solicitor General.

Mr. MacInnis (Cape Breton-East Richmond): You couldn't find Hal Banks either.

Mr. Woolliams: Mr. Speaker—

Mr. Speaker: I hope the hon. gentleman is not going to ask the same question a third time.

Mr. Woolliams: Mr. Speaker, let me put it this way. Is the Minister of Justice on some ground of federal policy refusing to answer the question?

Mr. Turner (Ottawa-Carleton): On the same ground already advanced by the Solicitor General on Tuesday, Mr. Speaker.

Mr. Woolliams: Well, Mr. Speaker,—

Mr. Speaker: Order, please. I should think the hon. member would agree that this is becoming a debate.

Mr. Woolliams: Mr. Speaker, I should like to speak on a point of order. I know about the rule in relation to ten o'clock, but it does seem to me that this kind of question has been asked on several occasions and ministers of justice have always given information. I am not asking about the court procedure, and I did not ask the question of the Solicitor General but rather of the Minister of Justice. I can only suggest with the greatest respect that this minister has something to hide.

CONSUMER AFFAIRS

EDMONTON—REPORTED SHORT WEIGHT OF ICE CREAM BARS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs in respect of a matter of long standing. What steps if any has the minister taken to deal with the complaint from Calgary lodged some months ago that fudgsicles—ice cream bars—made by the Woodland Dairy of Edmonton are half an ounce less than the quantity printed on the label, and the public is thereby being defrauded?

Inquiries of the Ministry

Mr. Speaker: Order, please. I suggest that we all return here at ten o'clock to discuss fudgsicles.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, may I say with respect that this matter has already been worked on, worked on and worked on through correspondence with no result, and this is the only place I know of where I can now refer to it.

Mr. Speaker: I fully recognize the situation and appreciate that the matter is of some importance and of some urgency. If the hon. member wishes to have the matter considered later on at the time of adjournment she might give me the appropriate notice.

FINANCE

SAVINGS BOND PAYROLL DEDUCTIONS BY CANADIAN SUBSIDIARIES OF U.S. COMPANIES

On the orders of the day:

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to address my question to the Minister of Finance. Is the minister aware that some Canadian subsidiaries of American parent companies are refusing to put into operation the payroll deduction plan for employees to buy Canada savings bonds?

Hon. E. J. Benson (Minister of Finance): This, of course, is a voluntary matter, Mr. Speaker. I am not aware of the particular circumstances raised by my hon. friend but I would be very pleased to receive information from him in this regard.

Mr. Hales: A supplementary question, Mr. Speaker. I will supply the minister with the name of the company. Would the minister ask all these companies to put into operation the guide lines which the government announced some time ago in order that they may be good, corporate Canadian citizens?

Mr. Benson: Mr. Speaker, I will be very pleased to receive more information from my hon. friend. I do not think the guide lines dealt with Canada savings bonds, but I would like to encourage all companies in Canada to allow their employees to purchase Canada savings bonds through payroll deductions and, indeed, I have written a good many letters in this regard.

[Mrs. MacInnis (Vancouver-Kingsway).]

THE MINISTRY

REQUEST FOR PERSONAL STATEMENT BY TRANSPORT MINISTER

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I would like to direct my question to the Minister of Transport. I express some concern and surprise in this regard and ask the minister whether he is prepared to seek the consent of the house to revert to motions at this time in order to make a statement concerning current reports involving himself, certain video recording equipment and Mr. Jeffrey Sterling, a Canadian with a substantial interest in the broadcasting industry.

Mr. Speaker: Order, please. The hon. member will appreciate that I must have some reservation about the question he is now asking. I would advise him that an hon. member has proposed, by way of a written question, a question along the same lines as the one now asked by the hon. member for Dartmouth-Halifax East. I could not find my way clear to accept the question as asked because it is a well known rule of this house that questions cannot be asked which imply accusations of misconduct against any other hon. member. The only way this can be done is by putting the question directly by way of a question of privilege and, as the hon. member knows, along the lines of the precedents which are well known to the house, to make a specific charge. I am afraid that is the only way this kind of question can be asked.

Mr. Forrestall: Mr. Speaker, I rise on a point of order in connection with your ruling. I just wanted to clarify something and I certainly did not intend to imply any misconduct whatsoever on the part of the minister. I am simply asking the minister whether he would not wish to revert to motions in order to clear his own name. I did not impugn it; he impugned it himself.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in regard to what Your Honour has just said I find it a little difficult to see how under the circumstances it would be possible for the minister himself to be impugned as suggested. Perhaps Your Honour has not seen nor heard of these things, but I would ask you to take judicial notice of them. There are some rumours or stories circulating in connection with the Minister of Transport in his position as Minister of Transport. The hon. member is merely asking whether the

minister will make a statement. The minister may quite possibly clear himself completely, and in the interest of the discharge of his duties to the house I think this should be done. There is no possibility of making a charge.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, on a point of order—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond has risen on a point of order.

Mr. MacInnis (Cape Breton-East Richmond): On a point of order, Mr. Speaker, I have been given to understand that questions of this nature were accepted if they were written questions. For some reason or another these questions have been refused. The question now arises, what is the difference between this scandal and the past furniture scandal?

LABOUR RELATIONS

MONTREAL—STUDY SESSION BY LONGSHOREMEN

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de Grâce): Mr. Speaker, I have a question for the Minister of Labour. Has the minister been made aware of the wildcat walkout yesterday by longshoremen in Montreal, and would he advise the house whether anything has been done to correct the grievances complained of and to guarantee that the port will remain in operation until the end of the shipping season?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, the hon. member should be aware of the fact that this was not a wildcat strike but a study session in the true sense of the word in that the members met to discuss unusual suggestions of the employers to clean up the heavy backlog of cargo in the port of Montreal. This is the first work stoppage this year, which is a pretty good record. Further, the Minister of Labour does not consider his role to be such that he should be interfering every day in day to day disputes between management and labour.

Mr. Allmand: A supplementary question, Mr. Speaker. I would like to ask the Minister of Labour whether he has been assured that the port will continue to operate and there will be no further study sessions until the end of the season.

Mr. Mackasey: I cannot assure the hon. member of that, Mr. Speaker. That is not my responsibility, but I can reassure the hon. member that labour-management relations have never been as promising as they are this year, which I think is something to consider.

Mr. H. Russell MacEwan (Central Nova): A supplementary question, Mr. Speaker. My understanding was that when the minister opened the washroom facilities on the Montreal waterfront last month everything was in order. Is this not the case?

Mr. Mackasey: Mr. Speaker, there were other sections of the rest room that needed opening and I should have invited the hon. member to open them.

Some hon. Members: Hear, hear.

Mr. MacEwan: Next time I hope the minister will.

FINANCE

CONSULTATIONS RESPECTING PROPOSED SECURITIES COMMISSION

On the orders of the day:

Mr. W. M. Howe (Wellington-Grey): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In connection with the federal-provincial conference on consumer affairs, will the minister advise the house whether a consensus has been reached with the provinces on the proposed federal securities legislation?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the officials met for a one day conference and the discussions they had were extremely useful. I think progress can be reported on developing a consensus between federal and provincial officials.

Mr. Howe: A supplementary question, Mr. Speaker. Is it still the intention of the government to proceed with the securities legislation this session and, if so, will the government now take parliament into its confidence, as it has the provinces, and let us see the proposed bill?

Mr. Basford: Mr. Speaker, we do not at the moment have a bill to show hon. members.

ASSISTANCE TO MUNICIPALITIES BUILDING HOMES FOR AGED

On the orders of the day:

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I would like to direct this question to the

Minister of Manpower and Immigration. In view of the fact that the cessation of the winter works program will create a real hardship on municipalities which had planned on building homes for the aged with the help of these funds, does the government have any plans whereby they can assist in these worthy and urgent projects?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, we have no additional plans except the additional funds that we are putting into training and retraining programs this winter.

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. Is the minister aware of, and is he doing anything about, the very serious and rising rate of unemployment in the Atlantic provinces?

Mr. Speaker: Order.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, we welcomed the statement by the minister on Monday that large amounts of money would be spent by his department in the coming winter. Could the minister tell us whether he is willing to make a statement in the house as to the nature of the expenditures and, if so, when this statement will be forthcoming?

Mr. MacEachen: I will be glad to provide that information, Mr. Speaker.

TRANSPORT

REQUEST FOR STATEMENT ON FERRY SERVICE, SAINT JOHN, N.B.-DIGBY, N.S.

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Transport. It arises out of the promise made during the election campaign that the new Digby-Saint John ferry service would come into operation soon. Could the minister now tell us whether we are to receive this service soon?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the C.P.R. has received tenders for the new ship but a contract has not yet been entered into. As my hon. friend knows, the arrangement that is being worked out with the water transportation committee of the Canadian Transport Commission is that the C.P.R. will acquire and provide a ship and the government will assist in arriving at an arrangement between the two parties. As far as I know everything is proceeding quite satisfactorily. I can reassure my hon. friend that the long-awaited service will not be delayed further.

Mr. Comeau: Will the minister tell us how much longer we have to wait?

Mr. Hellyer: As long as it takes to build the ship and the terminal, approximately.

[*Translation*]

TELEVISION

QUEBEC—REPRESENTATIONS RESPECTING EDUCATIONAL BROADCASTING

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, I should like to direct a question to the hon. Secretary of State (Mr. Pelletier).

With regard to the Minister's statement as to the establishment of a federal educational broadcasting agency, would the Minister tell the house whether he received representations from the province of Quebec or from other provinces?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, we did receive representations. As far as I know, we did not get any from the province of Quebec but we received some from a few other provinces.

Mr. Andre Fortin (Lotbinière): As a supplementary question, Mr. Speaker, could the Secretary of State not table the text of those representations for the future guidance of the members?

Mr. Pelletier: Mr. Speaker, this would be somewhat difficult. As a matter of fact, this concerns two provinces, represented by groups of officials from the Department of Education. They came to make verbal representations and discuss the matter with us, by word of mouth, so there are really no documents I could table in the house.

ROYAL CANADIAN MOUNTED POLICE

ST. LÉONARD, QUE.—INQUIRY AS TO SURVEILLANCE ACTIVITIES

On the orders of the day:

Hon. Martial Asselin (Charlevoix): I intended to put a question to the Solicitor General of Canada (Mr. McIlraith), but in view of his absence I shall direct it to the Minister of Justice and Attorney General (Mr. Turner).

We are told that the persons responsible for the school integration movement at Saint-Léonard have been for some time under the

constant surveillance of the R.C.M.P. I should like the minister to tell us whether the services of the R.C.M.P. have been requested by the municipal authorities of Saint-Léonard or by the Quebec provincial authorities. If so, can he tell us the purpose of this surveillance?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I shall take the question as notice and discuss it with the Solicitor General.

Mr. Asselin: Mr. Speaker, a supplementary question. Could the minister give the house a detailed report in reply to this question within the next few days?

Mr. Turner (Ottawa-Carleton): I shall convey the suggestion of the hon. member to the Solicitor General.

[*English*]

HOUSING

REPORTED DROP IN STARTS IN SEPTEMBER

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Transport arising out of the Central Mortgage and Housing Corporation report just released which shows an alarming drop in housing starts during September. Will the minister say whether there has been a change in the government's position as stated by the minister last August that Canada will achieve 185,000 housing starts in 1968? Is this still the government's objective and expectation?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, my hon. friend will recall that the government took steps a month or so ago to make moneys available so that an additional 10,000 units could be started this year. At that time, as I recall it, the announcement was rather cynically received on the other side of the house. However, I am still hopeful that the moneys which are currently being made available by the chartered banks and other lending institutions, in addition to that which is made available directly by C.M.H.C., will allow us to achieve the very high figure which I had indicated earlier.

Mr. Stanfield: I do not wish to be unnecessarily persistent, but the minister stated he is hopeful. Is this still his expectation?

Mr. Hellyer: Sometimes there is a very fine line between hope and expectation. It is difficult to estimate because of the uncertainty in respect of the capital markets. I cannot guarantee what the results will be. I hope, however, that we will achieve the high figure previously indicated. If not, I can assure my hon. friend that if he will allow me to carry on with the housing inquiry that is now under way in the interests of the Canadian people, we will try to bring forward remedial measures which will allow us to reach an even higher figure next year.

Mr. Stanfield: I rise on a question of privilege, Mr. Speaker. I am not a particularly combative individual and I am sure I do not need to remind the minister that he need not seek my permission to engage in his present sojourn.

Mr. Hellyer: I had understood some of your followers were disapproving.

Mr. Speaker: Order, please.

Mr. Hellyer: Mr. Speaker, might I take this opportunity—

Mr. Speaker: Order, please.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, this question is addressed to the minister and arises from a statement made in Vancouver to the effect that more research is needed into Canada's housing problems because the most important thing learned by the task force to date is how little we really know about the subject. Is it still the intention of the government to table the task force report within 30 days of the completion of hearings and to bring in housing legislation very shortly thereafter?

Mr. Hellyer: Mr. Speaker, the answer is yes.

Mr. Stanfield: I have a further supplementary question, Mr. Speaker. In view of the fact that the annual rate of housing starts fell to 155,000 in the month of September, can the minister indicate whether the government is prepared to make more money available for housing if this becomes necessary in order to meet his objective of 185,000 units this year?

Mr. Hellyer: I hope this will not be necessary.

SHIPPING

CHURCHILL—REQUEST FOR REPORT ON EXTENSION OF SEASON

On the orders of the day:

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, may I answer a question asked

yesterday by the hon. member for Mackenzie (Mr. Korchinski). The hon. member inquired about the extension of the season at Churchill. The answer is that the firm of Hedlin-Menzies of Winnipeg was engaged by the Department of Transport to conduct a study concerning the possibility of extending the season at the port of Churchill, Manitoba. It is expected that this report will be completed by mid-November. The report was not intended as a public document but when it is available further consideration will be given to the hon. member's request.

AIRPORTS

VAL D'OR, QUE.—INQUIRY AS TO OPENING

On the orders of the day:

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, yesterday notice was taken of a question asked by the hon. member for Villeneuve (Mr. Tétrault) requesting information concerning when the inauguration of Val D'Or airport will take place. The answer is that the airport has been operational since October 1, 1968. Some details, such as a concession agreement, have to be settled before the official opening. It is expected that these agreements will be completed in the near future.

AGRICULTURE

REQUEST FOR INCREASED PRAIRIE FARM ASSISTANCE PAYMENTS

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Agriculture. Does the government plan to upgrade Prairie Farm Assistance Act payments to realistic levels in view of the severe loss of income in areas where there has been crop failure and inasmuch as the present farm legislation does not in any way remedy the situation or help the farmers who do not have crops?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there are no amendments to the Prairie Farm Assistance Act under consideration to deal with the 1968 crop season.

SASKATCHEWAN—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my question is directed to the Minister of Agriculture. Has the minister received a communication from the council of the city of Saskatoon requesting the federal government to take such action as is necessary to minimize the serious economic consequences of the existing harvest conditions in the province of Saskatchewan?

Mr. Speaker: Order, please. It is neither in order nor acceptable from a procedural standpoint to ask whether or not a communication has been received.

CANADIAN NATIONAL RAILWAYS

PROPOSED LAY-OFF OF SECURITY STAFF, ATLANTIC REGION

On the orders of the day:

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I have a question for the Minister of Transport. Has the minister received an urgent communication protesting the imminent lay-off of 30 per cent of the C.N.R. security police in the Atlantic region? If so, what action is the government taking to preserve the jobs of these people and to ensure adequate protection of public property?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, a communication has been received. I have not yet had time to refer it to the officials of the Canadian National Railways for their comments.

Mr. Thomas (Moncton): Would the Minister of Transport confer with the proper officials of the C.N.R. and ask them to reconsider their position?

TRANSPORT

REQUEST FOR RESTORATION OF RAIL SERVICE, TORONTO-NEW YORK

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my question is directed to the Minister of Transport. Will the minister use his good offices to get in touch with the presidents of both our Canadian railways in an effort to ensure that railway passenger service is restored immediately between the city of Toronto and the city of New York? I ask this question in view of the fact that all passenger service has been discontinued between these two major cities and in view of the conditions at Kennedy airport, New York, both administrative and weather-wise.

Mr. Speaker: The hon. member has made a representation rather than asked a question. I can only assume that it has been noted.

[*Translation*]

AIRPORTS

QUEBEC—INQUIRY AS TO CONSTRUCTION IN EASTERN TOWNSHIPS

On the orders of the day:

Mr. Lionel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Transport.

Since the area between Drummondville and Saint-Hyacinthe would be an ideal place for an international airport and as he has received some briefs about the matter, could the minister tell the house if he intends to make a thorough study on the possibility of establishing such an airport in that area?

Mr. Speaker: Order. I suggest that the hon. member should place his question on the order paper.

[*English*]

HUMAN RIGHTS

REQUEST FOR NON-DISCRIMINATION POLICY IN NORTHERN DEVELOPMENT PROJECTS

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Labour. Some time ago I asked him to look into an allegation of discrimination apparently indicated by a young lady regarding Eskimos. Is he now prepared to make a statement in that regard inasmuch as he did undertake to look into the matter?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I thank the hon. member for having raised the problem of discrimination. I think all hon. members of the house would applaud his efforts. Since my answer is rather lengthy I would prefer to read it on motions on Monday. In the meantime, I will send a copy to the hon. member so he can be prepared. I want to assure the house that there is no evidence of discrimination but on the contrary there seems to have been a sincere attempt on the part of the previous and present Ministers of Indian Affairs and Northern Development to make sure that just the opposite is true.

POST OFFICE DEPARTMENT

ST. JOHN'S, NFLD.—ANNOUNCEMENT OF POST OFFICE CONSTRUCTION

On the orders of the day:

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I should like to address a question to the parliamentary secretary to the Postmaster General. Is he aware of an announcement made yesterday in St. John's by a private citizen to the effect that a new post office is to be built in that city? Was the private citizen in question authorized by the department to make this announcement? This private citizen, sir, was supposed to have been speaking on behalf of the Minister of Defence Production.

Mr. Baldwin: I rise on a point or order, Mr. Speaker.

Mr. Carter: I would address my question to the Prime Minister.

Mr. Speaker: Order, the hon. member has asked a question.

Some hon. Members: There was no answer.

Right Hon. P.-E. Trudeau (Prime Minister): The Postmaster General is not here today.

Mr. Carter: I rise on a point of order, sir. I should like to ask the Prime Minister whether it is the policy of his government to have private citizens with no official status make announcements of this nature? This has happened twice in as many months in my riding. I ask the Prime Minister, is he responsible for the policy?

Mr. Trudeau: I have asked the Postmaster General to ensure that questions relating to his department will be answered tomorrow.

PRIVILEGE

MR. BREWIN—EXCHANGE OF CORRESPONDENCE BETWEEN CANADIAN AND NIGERIAN AMBASSADORS TO UN

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I rise on a question of privilege, Mr. Speaker. This is the first opportunity I have had to do so. Earlier this afternoon the Secretary of State for External Affairs obtained from the house leave to table correspondence between the Canadian ambassador to the United Nations and the Nigerian ambassador to the United Nations. This correspondence contains a reference to myself by name and contains an implication that I have misstated questions of fact to this house when I made a reference to an interview with Dr. Arikpo in New York. The fact is, as *Hansard* will show, that the letter from the Canadian ambassador does not correctly refer to the statement made by me and the answer by the Nigerian ambassador

is therefore meaningless. His answer in no way constitutes a denial of my statement.

The letter from our Canadian ambassador is dated October 24, 1968 and is addressed to His Excellency the ambassador and permanent representative of the mission of Nigeria to the United Nations. Perhaps I had better read it since it is quite brief:

Dear Ambassador:

My minister, the Honourable Mitchell Sharp, has asked me to enquire urgently about the role of the churches in respect of relief supplies. One of the leading critics of the government, Mr. Brewin, whom you will recall came to New York and met with Dr. Arikpo, claims that he was told that the federal government would not oppose flights into rebel held areas from Sao Tomé by churches using Canadian Hercules aircraft. This statement does not appear to have been made to Mr. Sharp himself but may have been made during the visit of certain Canadian parliamentarians when they met the commissioner for external affairs.

Mr. Sharp would be very grateful if you could let him know, as a matter of urgency, whether in fact such a statement has been made or whether the federal Nigerian government would be likely to permit such an arrangement.

I do not need to read the reply which in effect says that the statement was not made at all by the Nigerian commissioner or any other member of the Nigerian delegation. The statement attributed to me in this matter is completely inaccurate as could well have been ascertained by reference to *Hansard*. I made this statement publicly in this house and it is contained in *Hansard*. First of all, I should like to refer to page 1650 of *Hansard*, and quote the statement:

Mr. Speaker, this supplementary question is also for the Secretary of State for External Affairs. In view of the difficulty in obtaining permission in respect of the airlift from Fernando Po, has the minister consulted with the Red Cross concerning the statement made by the foreign minister of Nigeria that there would be no opposition to flights in from Sao Tomé by the churches using Canadian planes if the Red Cross would supervise or at least look into the operation?

I point out to the house and to you, Mr. Speaker, that this is quite different from the statement attributed to me in the letter I have read. This is a conditional statement. This matter was referred to again, by me as reported on page 1939 of *Hansard* for October 23:

Will the Secretary of State for External Affairs confirm a statement made by Dr. Arikpo in New York on October 8, in the presence of the minister's parliamentary secretary and several other members of parliament including the hon. member for Egmont and myself, to the effect that there would be no objection on the part of the Nigerian government to mercy flights from Sao Tomé to Biafra provided the Red Cross inspected the cargo?

[Mr. Brewin.]

Again, the matter was referred to as reported on page 2032 of *Hansard* for October 25:

Would the Prime Minister tell the house whether or not a determined effort is being made to check the statement I have made on a number of occasions, and which has also been made by the hon. member for Egmont, that on Tuesday, October 8, the High Commissioner for Nigeria agreed to the supplies being flown in from Sao Tomé with one condition only, that they be inspected by the Red Cross? Why is further consent needed? Will the Prime Minister tell us that?

On the three occasions on which I referred to this subject I made it quite clear that the statement made by Dr. Arikpo was a conditional statement based on agreement that the Red Cross would supervise the operation. I do not at all blame the ambassador, who happens to be a personal friend of mine, but the statement made in the letter made no reference whatever to the condition which I mentioned on each occasion that the flights be supervised by the Red Cross. I say to this house that so far as I am concerned, and there are plenty of witnesses who are ready to support this statement as reported by me and not as contained in the letter, the statement was in fact made in answer to a question by me to Dr. Arikpo publicly. I repeat the statement here. I say to the Secretary of State for External Affairs that unless he is ready to accept my word on this matter I will ask that the matter be referred to the standing committee on external affairs where evidence can be received and sworn to, not only by me but by his own parliamentary secretary and others. I suggest that in future, when letters are sent out on matters as important as this, some effort should be made to make them accurate and fair.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I regret that the question was put by our ambassador in New York in the way it was in the letter. However, I should like to say to the hon. gentleman and to the house that if the question had been put in the other form, as it was put orally by me yesterday to Dr. Arikpo when I met him in New York, the answer would have been the same. He said he did not make any such statement. I have spoken to my parliamentary secretary about it and he denies that any statement in that form was made. If it would be of any value to the hon. member and to the house, I would be glad to put the question more precisely, quoting the words from *Hansard*. I did use them on the telephone to Mr. Ignatieff, but when he put

the question in the letter he did not add those words.

• (4:00 p.m.)

I can assure the hon. gentleman, Mr. Speaker, that it would make no difference which way they are put, but I would be very happy to have another letter sent quoting him directly on the question. Therefore I hope there is no question of privilege involved. It was not done on purpose. It was not a question put to Mr. Arikpo with any intention of deceiving him. He understood the connotation perfectly.

May I just add that the fundamental reason that objection was taken to the flight from Sao Tomé is that the Portuguese government does not object to arms shipments going from that port, whereas Equatorial Guinea and the previous Spanish authorities permitted only food to be flown from Fernando Po.

Mr. David Lewis (York South): Mr. Speaker, I rise on this question of privilege to make one other point very briefly. What is involved here is not merely an innocent misrepresentation—I accept the minister's statement—of what was said by the hon. member for Greenwood. What is involved here is a very important point of policy of concern both to the members of this house and to the people of Canada. What is involved is whether or not the planes could have been used in a way other than the way they are being used.

When the minister rises and says that even if he had asked in another way the answer would have been the same, he is making certain that he is getting the answer that he wants. That is not the way in which this kind of negotiation can be carried on.

Mr. Speaker: Order, please. I wonder whether hon. members wish to pursue this matter further. The hon. member for Greenwood has made his point on the question of privilege. He himself has stated what was the situation and according to the rules of the house all hon. members are bound to accept the statement that has been made by the hon. member for Greenwood.

Mr. Brewin: Mr. Speaker, I would be glad to pass over the matter, but it seems to me that the statement that has been made by the Secretary of State for External Affairs only compounds the matter. He now directly states that the statement that I made in this house several times and that I repeated today is not a correct statement of fact. He is accepting the word of these other gentlemen from Nigeria.

Because I think that my credibility and the credibility of other members of this house, including that of the hon. member for Egmont, is in question, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That the question of the statements attributed to Andrew Brewin, M.P., and referred to in correspondence tabled this day by the Secretary of State for External Affairs be referred to the standing committee on external affairs and national defence.

I move that motion, Mr. Speaker, subject, of course, to Your Honour ruling that there is a prima facie case of privilege involved here.

Mr. Speaker: I have before me the proposed motion of the hon. member for Greenwood. I have some doubt that it is a motion of privilege; it appears to be more in the nature of a substantive motion. Perhaps the hon. member would allow me to have a look at the matter a little more closely and to seek guidance. I would then be in a position later to give a ruling on the point raised by the hon. member by way of a question of privilege.

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, perhaps the house is willing to have the government house leader indicate the nature of the business for the ensuing week so that we can be guided by this information.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, the intention would be that on Monday next we would call the committee of supply and refer to it the estimates with respect to supply and services. If they are dealt with that day then the estimates of the Department of Public Works would be called.

On Tuesday the budget debate will resume, and that debate will be called the following three days, Wednesday, Thursday and Friday. If the budget debate is not disposed of by then, the final day for the budget debate will be Tuesday, November 12.

I thought it might be helpful to hon. members if I gave them an indication of the work that remains to be done between now and the end of 1968. Including both today and Friday,

Division

December 20, there are 36 sitting days before Christmas. Two additional days will be gained if we continue over into the first part of Christmas week. Of this total, 16 days will be required to complete the business of supply. The maximum time provided for the budget debate is 6 days. Time must be made available for consideration by the house of the report of the special committee on procedure set up on September 24.

It is impossible to state conclusively all the bills that will require passage before the end of 1968. However, if the program for the January to July, 1969, part of this session is not to be badly jeopardized, before the end of 1968 we should deal with the following items: No. 2 on today's order paper, the budget resolutions and bills relating to changes in the customs tariff and anti-dumping; No. 4 on today's order paper, Bill No. C-120 relating to the official languages act; No. 6 on today's order paper, Bill No. C-110 relating to the Farm Credit Act; No. 7 on today's order paper, Bill No. C-112 relating to the Farm Machinery Syndicates Credit Act; No. 13 on today's order paper, Bill No. C-102 relating to the Patent Act, the Trade Marks Act and the Food and Drugs Act; and No. 24 on today's order paper relating to C.N.R. financing.

It would be our hope, Mr. Speaker, that we could call the resolution stage only of item No. 30 on the order paper with respect to the freshwater fisheries so that the terms of the proposed marketing scheme would be available to provincial governments and other interested persons.

In addition, Mr. Speaker, the Minister of Justice will be bringing forward the bill to amend the Criminal Code, and we should like to make as much progress on that item as possible before the end of the year.

FARM CREDIT ACT

AMENDMENT RESPECTING ELIGIBLE CLASSES, AMOUNT OF CAPITAL, INTEREST RATES, ETC.

The house resumed, from Wednesday, October 30, consideration of the motion of Mr. Olson for the third reading of Bill No. C-110, to amend the Farm Credit Act, and the amendment (page 2238) thereto of Mr. Gleave.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

[Mr. Macdonald (Rosedale).]

The house divided on the amendment (Mr. Gleave) which was negatived on the following division:

• (4:10 p.m.)

YEAS

Messrs:

Asselin
Baldwin
Beaudoin
Bell
Bigg
Brewin
Broadbent
Burton
Carter
Coates
Comeau
Crouse
Dionne
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Horner
Howe
Knowles (Winnipeg North Centre)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Mather
Matte
Mazankowski
Monteith
Moore
Moores
Muir (Lisgar)
Nesbitt
Noble
Paproski
Peddle
Peters
Ricard
Ritchie
Rose
Rynard
Saltsman
Schumacher
Scott
Skoberg
Skoreyko
Stanfield
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams—76.

YEAS

Messrs:

Allmand
Anderson
Badanai
Barrett
Basford
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Brown
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Clermont
Comtois
Corbin
Côté (Richelieu)
Crossman
Cullen
Cyr
Davis
Deachman
Deakon
Douglas
Drury
Dubé
Durante
Émard
Éthier
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson

Gillespie
Goode
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hellyer
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jerome
Kierans
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Morison
Munro
Murphy
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pelletier
Penner
Perrault
Pilon
Portelance
Pringle
Reid
Richard
Robinson
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smerchanski
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
St-Pierre
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—122.

• (4:30 p.m.)

Mr. Speaker: I declare the amendment lost.

The house divided on the main motion (Mr. Olson) which was agreed to on the following division:

Division

YEAS

Messrs:

Allmand
Anderson
Badanai
Barrett
Basford
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Brown
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Clermont
Comtois
Corbin
Côté (Richelieu)
Crossman
Cullen
Cyr
Davis
Deachman
Deakon
Douglas
Drury
Dubé
Durante
Émard
Éthier
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hellyer
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jerome
Kierans
Laflamme
Laing
Lang
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Morison
Munro
Murphy
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pelletier
Penner
Perrault
Pilon
Portelance
Pringle
Reid
Richard
Robinson
Rock
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smerchanski
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
St-Pierre
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—122.

NAYS

Messrs:

Asselin
Baldwin
Beaudoin
Bell
Bigg
Brewin
Broadbent
Burton
Carter
Coates
Comeau
Crouse
Dionne
Dumont
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Horner
Howe
Knowles (Winnipeg North Centre)
Lambert (Edmonton West)
Laprise
Latulippe
La Salle
Lewis
Lundrigan
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Mather
Matte
Mazankowski
Monteith
Moore

Moores	Scott
Muir (Lisgar)	Skoberg
Nesbitt	Skoreyko
Noble	Stanfield
Paproski	Stewart (Marquette)
Peddle	Tétrault
Peters	Thomas (Moncton)
Ricard	Thompson (Red Deer)
Ritchie	Thomson (Battleford-Kindersley)
Rondeau	Valade
Rose	Winch
Rynard	Woolliams—78.
Saltsman	
Schumacher	

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, there have been certain discussions among the various groups in the house and I think agreement might be found for a special order today dealing with the question of the budget, namely, that for the purposes of section 2 of standing order 58, upon the calling of government order No. 2, that is, the budget debate, as the second item of government business later this day this day's sitting shall be counted as the first of the six allotted days for the said debate, and that the provisions of standing order 15(4) shall apply to suspend the hour provided for the consideration of private members' business this day. If that is agreeable to the house generally I think we might make an order of the house to that effect, and after the order is made then call item No. 2 on today's order paper.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Tuesday, October 22, consideration of the motion (page 1677) of Hon. E. J. Benson (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

• (4:40 p.m.)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on October 22 we listened for some considerable length of time to the Minister of Finance (Mr. Benson) make what should be an annual analysis in the budget of the financial state of the country. Usually this is made after careful preparation. We in the opposition merely get the opportunity of seeing the text of his remarks as he delivers it, and there is certain difficulty in replying to a budget speech. We can only comment on those features of it that are patently self-evident. For instance, the 2 per cent across the board increase in income tax with a ceiling of $120 is one of those features. Time has provided us with the opportunity of looking at the fine print of the budget and also to hear some of the minister's extra-curricular remarks in respect of the budget and the preparation thereof.

Let me say at the outset, having now examined the budget in detail and having heard some of the unofficial explanations, that I do not take back one word of what I have said about the budget. In fact, one should underline the criticisms that were advanced. As a matter of fact, I would not now be quite so generous with some of the complimentary remarks I made when dealing with the changes in the estate tax and the gift tax. We have now had an opportunity to see the fine print in this respect, and I must say the minister has dealt a very serious blow to a number of principles in relation to estate tax. He has now made generosity very onerous in so far as gifts are concerned.

I do not intend to deal with all the aspects of the budget. Many of my colleagues have undertaken a study of particular phases of it and in the next few days during the budget debate they will develop these criticisms.

The salient fact which came to light in the budget was the lack of credibility on the part of the government in respect of the financial position of the country. I must say now, after considering it for many days, that the government's position is no more credible than it was on budget night, and no degree of explanation can make it any better

We all know that the purpose of the budget is to present an analysis of the financial position of the country and the financial status of the government. It must be made after an analysis of the problems and the options open to the government to deal with such problems. The budget develops the means chosen by the government to deal with those problems and carry out government programs.

How does this budget measure up? I put it to hon. members that outside of imposing the heaviest increase in peacetime taxes in Canada, it will be a dismal failure. I would hazard a prediction at this time that within

six months we are likely to get another hard jolt to taxation or we will have to face a further deficit of alarming proportions. It is my conclusion that the government has no more control over expenditures than it did before the presentation of this budget. Any budgetary forecasts which have been made are just as credible as previous ones.

Mr. Woolliams: He said he would balance the budget.

Mr. Stanfield: And he guaranteed it personally.

Mr. Lambert (Edmonton West): When we look at what was said it pays to go back to see what ministers of finance have said before as well as what the present Minister of Finance said about what the government was going to do to control expenditures and bring in revenue in order to balance the budget.

Let us go back to October 31 of 1967 to see what the present Minister of Finance said in reply to my former colleague who represented Carleton. This is recorded on page 3715 of *Hansard* for that day. He said:

> The hon. member for Carleton spoke this afternoon about priorities and asked what are the government's priorities? Since we became the government we have instituted a system involving a five year forecast under which all departments are now submitting their objectives five years in advance.

Of what advantage is that, Mr. Speaker? These are just figures on paper, for what that is worth.

Mr. Woolliams: They are only out $400 million.

Mr. Benson: Four per cent; that is pretty good.

Mr. Stanfield: But 100 per cent wrong.

Mr. Lambert (Edmonton West): The minister then added:

> Let me assure the hon. member that when it becomes necessary or when we deem it necessary or in the interests of the country to limit expenditures, this is not done in a haphazard method. I am sure he knows that, having had vast experience on the Treasury Board. What is done is that the proposed expenditures of each department are considered carefully and only selected items of the various departments are removed or revised.

If that has been the practice, why are we in the mess in which we now find ourselves? The whole new system of forecasting government expenditures and programs for five years with all the technocracy of the technocrats, the computers and paraphernalia that the minister has boasted about has brought the government to the position where they were wrong within a few months to the extent of $730 million in their expenditures.

Let me then move to page 3776 of *Hansard* for November 2, 1967. The then minister of finance, Mr. Sharp, in answer to the former hon. member for Carleton said:

> No, Mr. Speaker. Estimates are simply a ceiling on the amounts which can be spent. They are not always spent, and they very seldom are.

The departments do not spend the estimates? Gracious me, they overspent them by $730 million this year and in the previous year they overspent them by $875 million.

Mr. Benson: That is almost as bad as 1958.

Mr. Lambert (Edmonton West): I have used the figure $730 million, but the minister has yet to consider the supplementary estimates for 1968-69.

Mr. Benson: They are included in the forecast.

Mr. Lambert (Edmonton West): The minister says they are included but we will see when the final supplementaries come in at the end of March.

Mr. Stanfield: You will bring in a whole new set of supplementary estimates.

Mr. Benson: That will be next year.

Mr. Lambert (Edmonton West): On November 30, 1967, the former minister of finance made this forecast as reported at page 4905 of *Hansard* for that date:

> The best preliminary forecast I can make of the yield next fiscal year of our revenues under our current tax laws—which of course at this early date is more uncertain than is usual in normal springtime budgets, is about $9,700 million. With our expenditures at the level of $10,300 million where we have decided to hold them, apart from medicare and Expo, our budget deficit would be $600 million. I believe we can and should aim to eliminate most of this deficit.

That was what the former minister of finance said on November 30. At page 5171 of *Hansard* for November 7 the present Minister of Finance in his famous intervention said:

> When the Minister of Finance (Mr. Sharp) introduced his supplementary budget proposals last week, he indicated that I would follow up on his remarks relating to expenditures and provide the house with further details as to the efforts the government has been making to restrain its planned expenditures for 1968-69 within a prescribed ceiling.

• (4:50 p.m.)

Then he said:

I am happy to honour that commitment tonight and to provide the house at the same time with information as to the steps which the government is taking to effect a substantial reduction in the rate of growth of the public service of Canada.

At page 5178, in the same speech, the Minister of Finance said:

There have been many demands from the opposition side of the house and from other quarters during recent weeks and months that the government reveal full details as to what cuts it is making and how it intends to achieve the containment of its over-all budgetary expenditures within this $10.3 billion ceiling.

On the same page the minister said:

The present indications are that main estimates as printed and presented will run somewhat in excess of $10 billion but less than the $10.3 billion mentioned by the Minister of Finance. Later, there will, of course, be unavoidable supplementary estimates to reckon with, throughout the course of fiscal year 1968-69.

The minister has just told me that his budgetary forecast for the balance of the fiscal year will not be subject to supplementary estimates, but back in December he said the figures he had given us would be subject to supplementary estimates. We know that. This is the normal practice; so why try to tell us that the figures the minister has given take into account supplementary estimates? They cannot. The minister cannot tell us what the supplementary estimates will be. Then he said:

These may well run the gross total of estimates, together with statutory appropriations, as high as $10.5 billion;—

He was a little short still, because his main expenditures are running higher than that. Then he said:

—but, as past experience shows, not less than 2 per cent of this authority will be destined to lapse unspent because of circumstances beyond the control of the departments concerned. The deduction of this lapse of 2 per cent or $200 million will bring the actual budgetary expenditure, we expect, for 1968-69 within the projected target figure, announced by the Minister of Finance, of $10.3 billion.

I shall have something to say about these percentage figures in respect of forecasts of expenditures and revenue and just how far the minister himself said he missed the target. Here is the real climax, Mr. Speaker. As reported at page 6663 of *Hansard,* on February 13 last the Minister of Finance, in answer to a question asked by the former hon. member for Ontario, Mr. Starr, had this to say:

Mr. Speaker, I should like to guarantee to the house that after the supplementary estimates are introduced during the year and the year has ended, with the normal lapses that always occur, we will hit our $10.3 billion ceiling and will balance the budget this year.

The man who was speaking is the Minister of Finance. This is why I say that the credibility of this whole budgetary exercise has been placed in jeopardy—indeed, not only in jeopardy but it has been completely thrown out.

Mr. Woolliams: There is no credibility; that is the answer.

Mr. Harkness: Guarantees are not worth anything.

Mr. Lambert (Edmonton West): I hope to read later from an interview the minister had on a well known television program. I understand that the word "guarantee" will be found blazoned across the minister's chest when he dies. That word has now been seared into his chest. Coming back to the points I made on budget night, Mr. Speaker, the government had to recognize certain problems that the country is facing. As I said, the purpose of a budget is to analyse the fiscal problems of the country, government programs, and to provide the means whereby we can deal with those problems.

What problems do we have? I will go through them very briefly. First of all there is the problem of sorting out priorities as between Canada's needs for health, education and social services. This has not been done, although now as a belated exercise the Minister of Finance has larded his speech with remarks about planning, priorities, and so forth. This is not the first time the government has done this because the last budget speech had something to say about priorities.

Mr. Stanfield: It is an annual speech.

Mr. Lambert (Edmonton West): As a matter of fact, when we suggested that something concrete could have been done about this situation we were pooh-poohed. I am sure my leader will have something to say about this matter when he participates in the debate.

Mr. Stanfield: Yes, sir!

Mr. Lambert (Edmonton West): In addition, when it comes to planning these priorities it is obvious that the government has not a penny left for the construction of additional hospitals or for the training of additional doctors and nurses. Yet it not only insists upon but uses a blackjack to force the provinces into its own plan of medicare not that of the

provinces, but its own plan of medicare. Yet the government has not made any provision for the provinces to be able to discharge their responsibilities. It is not the federal government that gets it in the neck when we are short of doctors, hospitals and nurses; it is the provincial governments. I am sure the Minister of Finance will not have a very easy time explaining the federal government's attitude to the ministers of finance of the provinces when he meets them starting on Monday and Tuesday.

Mr. Woolliams: Poor fellow.

Mr. Baldwin: He has bought a large bottle of aspirin already.

Mr. Lambert (Edmonton West): This is one of the problems the budget should have been able to sort out. Second, there is the question of inflation. This budget places no curb whatsoever on inflation. After all, there is a big deficit that has to be financed by bonds. Again we will be operating on government credit, and that is no curb on inflation.

So far as the 2 per cent tax boost is concerned I ask, where is it concentrated? It is concentrated on the production workers, those people who are earning under $8,000 a year. Many senior officers of major Canadian corporations have indicated that they anticipate that at the very next round of wage negotiations there will be a demand to cover precisely this point of income tax deductions at source. The working man is very conscious of this point of deducting income tax at source. It is brought home to him very quickly.

Mr. Stanfield: The postal increases, too.

Mr. Lambert (Edmonton West): I will very shortly talk about the postal increases being tax increases too. There is another feature of the budget that increases the cost of business and contributes to inflation. I refer to the provision for a further acceleration of the payment of corporation tax. I will discuss that matter later. This will add to the cost of doing business, and therefore up will go prices. This will be a further, shall I say, push for inflation.

I must apologize to the house, Mr. Speaker, because the other night I used the figure, I believe, of 153.6 as the cost of living index for the month of August and I have found that my statistical information was incorrect.

Mr. Benson: That is not unusual.

Mr. Lambert (Edmonton West): I find in the latest statistical summary of the Bank of Canada that the total index for consumer prices as of September was 156.4. As a matter of fact, 153.6 was the figure somewhere between March and April. In January of 1968 the consumer index stood at 152.6 and in September it was 156.4. We have already moved up 3.8 points and the year is far from finished. It will be interesting to see what the final cost of living index will be for this year.

• (5:00 p.m.)

We hear talk about inflation. I should like to make a brief reference to a statement which was prepared and delivered in an admonitory tone by the governor of the Bank of Canada in Victoria on October 17 this year. Let me read a few brief excerpts from Mr. Rasminsky's speech:

> Taking the whole period since say 1960, our record with regard to costs and prices looked relatively good by comparison with other countries, rapidly than those of most of our major trading partners, including the United States. Indeed, by the autumn of last year we seemed to have developed an inflation psychology in this country. I tried to draw attention to this problem in a speech in Winnipeg last November. At that time I expressed the view that it was essential o break inflaionary expectations by making it clear beyond doubt that inflation would not be accepted as a way of life in Canada and that this was the most urgent task of public policy.

What has been the result? So far as this government is concerned, since last November to the present time the cost of living has gone up 5 points. I do not see any indication that the government has tried some of the things it might have. Because of the actions it has taken in the past years and some it did not take it has found itself powerless to deal with the problem of inflation. I think this is the number one problem in so far as the economy of this country is concerned. The governor of the Bank of Canada gave ample notice that this is the most urgent task in respect of public policy. Yet the answer by the government was that they had a leadership race and then had to go on the gallop for an election instead of being here to deal with these problems. All during that time we have seen inflation increase more and more rapidly. I wonder what we will see by Christmas time? I am sure there will be a real Christmas present in the stockings of the old age pensioners and those people who are on fixed incomes in this country when the final figures are known concerning the cost of living in 1968.

Mr. Rasminsky continued:

The worsening of our cost and price position does appear to have weakened our capacity to withstand the shocks from abroad that we have had to face. The first of these came on November 18 when sterling was devalued.

I do not intend to go into this speech, chapter and verse, because of the time limitation. I will not go through the tribulations in respect of our Canadian dollar over the past nine months. These things are well documented. I would recommend the speech of Mr. Rasminsky to all hon. members because it shows just how difficult it was to deal with this crisis. It indicates why Canada is particularly vulnerable as a result of the action taken by the previous administration which has placed us in such a difficult situation.

The other evening I referred to the equalization act of the United States and our undertaking to limit our foreign exchange reserve to $2.6 billion. I should like to ask the Minister of Finance what steps are being taken to bring about an easing of this situation particularly having in mind all the steps we had to take with regard to the shoring up of the Canadian dollar. We have linked ourselves closer and closer to the United States. As a matter of fact, last spring we converted $500 million of negotiable United States holdings into non-negotiable holdings. We are becoming more and more tied in with the policy and actions of the United States government. The sooner we can get away from the ceiling and the sooner we have more freedom of action, the sooner the Minister of Finance will be in a better position to deal with some of our own problems and we will not have to be tied to the United States go-cart all the time.

I can understand the action taken by the United States. I did not agree with it but I understand why they took the action they did in 1963 when the former hon. member for Davenport took the foolhardy action he did in his budget of 1963. The action taken by the United States was predictable. We got what we deserved in so far as government action was concerned. I should like to read one more quotation from what Mr. Rasminsky had to say:

Now that the problems connected with maintaining a sound external financial position have eased it is possible to concentrate once again on our other economic problems. I am afraid that none of them has gone away. Prices and costs are still rising too rapidly despite the emergence of considerable unemployment and unused capacity. The growth of the economy has been well within our potential for more than two years but so long as the strong upward trend in prices and costs continues, there are real risks in taking steps to accelerate the expansion of total spending in the economy. Our recent trade performance has demonstrated that Canada is still competitive internationally but it is also true that our recent exchange problems have shown how important it is to avoid any undermining of confidence by a further extended period of poor cost and price performance.

It is plain that in addition to following sound fiscal and monetary policies we need to do everything we can to increase the efficiency of the economy and to bring about more realistic attitudes toward the size of the increases in the incomes, all forms of income, which we can really afford to pay ourselves. There has been a good deal of discussion in recent times about guide lines for increases in incomes and other aspects of incomes policy and I have made it clear that I favour action in this area. I am not going into that matter further today except to say that the basic limit for the non-inflationary increase in incomes in any economy is not set by the authorities. It is set by our actual performance. The basic limit is the increase in real output per person employed. If we ignore that limit and settle for larger increases in money incomes all we are doing is guaranteeing that prices will rise.

Frankly, I cannot see that any action has been taken by this government which follows the course advocated by Mr. Rasminsky. The government has placed some sort of a temporary ceiling on the public service, but on the other hand it has also come forward with legislation to set up various tribunals and boards. We hear of other proposals which naturally will mean that the public service will be built up more and more. There is legislation before the house which says there shall be a tribunal with regard to dumping. We had the machinery board. There are a great number of others. I cite these merely as examples. Again the government is bursting through the ceiling it imposed on itself.

One of the other problems the budget does not solve is in respect of housing. In fact, because of the taxing of insurance companies less money will be available from that source for housing financing. There have been no reductions in costs with regard to housing. The minister could have reduced the sales tax on building materials. I heard him discuss this afterwards on television when he said that building materials should bear their fair share of the expenses. I could suggest a number of other areas which are more of a luxury in respect of which he could have done something with regard to housing. But, no; we are to have a continuation of the sales tax on building materials. The budget therefore failed to deal with the question of housing.

• (5:10 p.m.)

I turn now to interest rates. This budget has done nothing to encourage interest rates to come down. As a matter of fact, interest rates have gone up. I have before me a statement from the Bank of Canada issued on Wednesday, October 23. Of course it does not reflect the immediate post-budget reaction of the bond market. However, we have seen already what has happened to the long term average of the ten particular bond issues dated from July 1, 1969, through to September 1, 1992; thé rate is 6.86 per cent. The rate for half yearly treasury bills is 5.77 per cent. All one has to do is to look at the charts to see that the bellwether bonds, the 4½ per cents for 1983 are on their way up again. They are bound to be. As a matter of fact, we know what the reaction of the bond market was the day after the budget. Bonds dropped by at least two points. My telephone kept ringing for a couple of days afterwards as people in the bond business called to say that the reaction of the market was that people did not believe the government any more. If they could not believe the government, whom could they believe?

School boards and businesses that are trying to arrange long term financing have been left high and dry because the one authority in the country in which one should be able to believe is the federal government—the federal government sets the tone for the bond market—and it has completely missed the boat. Government authorities all along the line will feel the reaction, and this will be a further penalty that Canada will have to pay during the forthcoming year.

I have spoken about controlling government expenditures, Mr. Speaker. We have been told that government expenditures will increase by a further $800 million in 1969-70. According to the figures put forward by the Minister of Finance, we will have reached a total expenditure of $11,670 million by 1969-70. Naturally, I do not place too much credence in the accuracy of that forecast, except that it is likely to be an understatement. Why do I say it is likely to be an understatement? We know the catalogue of events with regard to the forecast of a balanced budget and the size of the potential deficit during last November, last February, last May and then in September. Now we come to this point.

In September, the President of the Treasury Board (Mr. Drury) said that because they had underestimated the expenses of two programs in particular, post-secondary education and hospital insurance, the government had underestimated by some $400 million. The truth of the matter is that the post-secondary education program was implemented about two years ago. I recall the occasion, a Sunday night prior to the dominion-provincial conference, the federal government issued the terms of its proposal and that was it. University grants in the old form were gone. The vocational training program was gone. We were all to get this post-secondary education program. The government devised this program; they did not get any help from the provinces in working out the details. Within two years the government has underestimated the cost to it by $230 million. What sort of thinking is this? How well do they think through these plans? The plan was probably the brilliant suggestion of some backroom boy. I think perhaps the present Minister of Forestry and Rural Development (Mr. Marchand) will have to bear some responsibility for this because the plan was commenced under his aegis. Now that he has been transferred to another ministry he is perhaps heaving a sigh of relief because it would be a very serious problem for him at this time. This is another reason this administration is no longer credible when it makes statements with regard to the financial position of the country.

Then there is the problem with regard to hospital services. Perhaps the house will permit me to reminisce. I recall that when Hon. Donald Fleming was minister of finance the first dollar was spent under the Hospital Insurance and Diagnostic Services Act in July, 1958. The act had been passed in 1956-57 by the Liberal administration, but it was not workable. It was amended. I recall that Mr. Fleming told us privately or publicly, I do not recall the occasion, that within ten years the federal government share of this program would exceed $550 million a year. Well, he did not pull that figure out of a hat. Obviously he had been advised by his officials as to the cost of the project. What has happened? As a matter of fact, his figure of $550 million is perhaps just a mite low but for a ten year forecast it is pretty well on target. When it comes to forecasts, the former minister of finance (Mr. Sharp) stated some time ago that medicare would cost a billion dollars for a whole year's operation if all the provinces were included.

The present Minister of Manpower and Immigration (Mr. MacEachen)—I have to go through these different changes—contradicted

the Minister of Finance and said it would not cost that at all. The forecast for this coming year, 1969-70, with everyone participating, is only $370 million for the federal government and not the $500 million that the Secretary of State for External Affairs (Mr. Sharp) had said. We are told that while the doctors have recently increased their fees, actually they do not send in their bills quite as quickly as one might expect and therefore there will be a shortfall in the actual amount of money to be paid out. If this is the basis of the forecast for the cost of medicare, if the government of Canada is relying on the fact that doctors may not send in their bills quite as quickly as they might, then I do not know to what ouija board the minister is now going to refer. If that is the kind of reasoning that is used, I must confess that it really strains the credulity of anyone who has to assess the financial position. When hard-nosed bond dealers and financiers look at this sort of thing they say, "do you honestly think we can believe in anything like this?"

I know that my leader will be dealing with dominion-provincial relations because this budget will certainly affect that situation. All I am going to say is that this is a problem that faces the minister right now. I realize that when he goes into the question on Monday he will be the sacrificial lamb for this administration and will have to face the music. I apologize for the mixed metaphor, but the situation is so replete with all kinds of possibilities that the temptation is unavoidable.

• (5:20 p.m.)

I spoke the other night, Mr. Speaker, about the tax on individuals and said that the 2 per cent tax on individuals was savage. My colleagues will treat of that particular point in greater detail.

Then there is the tax on life insurance companies. The difficulty about the proposal made by the minister is twofold. First of all, no distinction is made between large, well established companies with vast investment portfolios and many small provincial insurance companies which for a long time had a rather tough time to build themselves up and have still not recovered the initial expenses, shall I say, that were involved in getting their business going. Shareholders' money has been spent in order to do this but the companies have not yet had a chance to recoup. Nevertheless, the minister is going to tax them. I will speak at much greater length on this point when the budget resolutions on the Income Tax Act come up.

I would point out that many relatively small fraternal organizations will be taxed in the same way as major insurance companies. These fraternal organizations are self-help organizations. I belong to one and I know that many members on both sides of the house belong to them. They are, in fact, a form of financial co-operative or insurance co-operative for individuals. These co-operatives are to be taxed in a number of ways. One wonders whether this is the thin end of the wedge with regard to the taxation of co-operatives. A fraternal organization that has an insurance program is to me a financial co-operative.

My last point, Mr. Speaker, which I merely put forward at this time, concerns the advance in payments of corporation tax. Last year when the minister's predecessor advanced by four months the payment of corporation tax, leaving a mere two month gap, we indicated that potentially this was the most dangerous aspect of the minister's budget. In other words, we thought it would have the greatest impact and this it certainly has. The minister has now gone the whole hog and as a result of this budget any business, be it a two man trucking outfit, a small plastering concern or the biggest corporation in the country, has to pay its income tax on the same basis as a wage earner where cash is actually deducted at source.

In the case of most trading concerns, where are their profits? They are tied up in inventories and these have to be liquidated. They are tied up in accounts receivable that have to be collected. Yet these concerns are going to be taxed on their estimated profits that are residing in these book accounts. A small contracting firm will have to assess for tax purposes the contracts that it may have negotiated. In addition to finding working capital they will have to find cash to pay their tax.

A private individual in business for himself and unincorporated is given a whole year in which to pay his tax. The professional man, such as the lawyer or the doctor, has to pay his tax quarterly. So why should a man who is in business but incorporated not be given an equal deal? Is the next step going to be that all professional men and self employed persons will be paying their income tax on an estimated monthly basis? This is rather like a spendthrift going along gaily spending his money at the fastest possible pace. The minister must recognize that last year the

government had a windfall, a once in a lifetime advance payment of $285 million. This time it is going to be $215 million.

Mr. Stanfield: The next step will be that we are asked to pay next year's tax this year.

Mr. Lambert (Edmonton West): We will conjecture on that, Mr. Speaker. Perhaps we will be called upon to prepay our taxes. Rather a case of pay now and work later.

On the basis of what I said the other night, Mr. Speaker, and what I have said this afternoon, although I could spend another hour on the deficiencies of this budget, in the interest of letting others have a go at this rather poor document I should now like to move, seconded by the hon. member for Charlevoix (Mr. Asselin):

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

This house regrets that the government has repeatedly deceived this house and the Canadian public as to the extent and gravity of the 1968-69 budgetary deficit and has destroyed its own credibility and that of the 1969-70 budgetary forecasts notwithstanding the heaviest peacetime tax increases and consequently rejects the government's statement of the country's financial position.

Mr. Max Saltsman (Waterloo): Mr. Speaker, this budget must stand as a colossal fraud. It is unenterprising and it is unfair. It is a budget for the privileged, not for the vast majority of Canadians.

This government was elected on the promise of bringing in the "just society". Yet its first budget puts the lie to that promise. Rather than moving toward the just society the government has moved to make our world more unjust than before. The Canadian people have a right to expect fairness and intelligence from their government, but instead of fairness and intelligence they have gotten injustice and bird-brained indifference.

This budget must stand condemned on two counts: first, because it asks the poor to pay for the government's errors and mistakes; second, because it completely misses the whole point of what is wrong with thee Canadian economy. At this time in Canadian history, a time of slow growth in our economy, the government insists on dragging its feet and pulling the economy down even farther. It is not as though the government has not received opinions on how it should conduct the affairs of the country or what sort of priorities should be established in the management of the nation.

Let us just look at two such opinions, Mr. Speaker. In the 1967 memorandum to the government by the Canadian Labour Congress, the congress pointed out the danger of lagging growth rates and rising unemployment and urged the government to take all necessary steps designed to prevent the economy from seriously slackening off. They repeated this warning in their 1968 memorandum to the government when they said in their statement on economy policy:

• (5:30 p.m.)

—it now seems perfectly clear that our advice was ignored. On numerous occasions in the past year and a half the government in budget after budget has either increased taxes or reduced government expenditures or both. These actions ostensibly aimed at balancing the budget have served only to worsen the situation. There is no special virtue in a balanced budget although it is now apparent that its attainment ranks far higher in the government's list of economic priorities than does the attainment of full employment.

On the other hand, the Canadian Chamber of Commerce has advised the government that it should adopt a tight-fisted approach, despite the prospects of an economic slowdown in 1969. The general manager of the Canadian Chamber of Commerce, when speaking in Calgary on September 30, said in his annual business outlook review that our rate of economic growth would slow down early next year. He also predicted that the growth in gross national product, in real terms, would drop to 3 per cent in the first half of 1969. He also predicted a probable increase in unemployment. He said in his statement:

Given this outlook, it might appear logical for the government to move to stimulate business... Serious errors could be made if government policy followed this direction.

Obviously the chamber of commerce does not think that the logical course ought to be followed and neither, apparently, does the government. Clearly, the chamber of commerce is little concerned about unemployment in this country and it is obvious that the government has accepted that particular body's outlook. It is hard to know why the government supports this kind of position since, after all, the chamber of commerce represents but a small segment of the people of Canada. Also, that chamber has almost invariably been wrong in its economic predictions. Almost invariably it has opposed progressive measures in this country such as medicare, the Canada Pension Plan and so on. Its new windmill to tilt at is the Canada development corporation.

Let it be remembered, Mr. Speaker, that this is a chamber of commerce government

and it is small wonder and no surprise that the Prime Minister received one of his greatest ovations from that group when he addressed them. The Prime Minister is the new darling of the chamber of commerce, particularly since in his Halifax speech he showed solicitude for the rich of this nation. He is the darling of that body which has seldom been right in its attitude toward the Canadian economy. As a matter of fact their record of being wrong is so consistent that they can be considered a most reliable guide, a compass, in fact, pointing south. Yet even the chamber criticizes the government for doing what any businessman does.

They talk about a balanced budget and look with disfavour on government borrowing. Yet a businessman's success in this country is often judged by how much he owes the bank. It is all right for a businessman to borrow capital with which to buy machinery and keep his business rolling. That is a good way for him to operate. Yet the government must not operate in a businesslike manner. Oh, no. The government must not borrow capital with which to keep our people at work. Is it not curious that people who expect businessmen to be businesslike give most unbusinesslike advice to the government, advice which they never would take for themselves?

Although this budget has not met with the favour of the ordinary wage earner of this country, it has been received with approval by businessmen. I wish to read some of the responses of businessmen, as reported in the Kitchener-Waterloo *Record* of October 23. One of them said:

> It's a fair budget so far as the country is concerned, but it's a little rough on the average wage earner.

Another said:

> It doesn't affect the investment business much because Mr. Benson didn't slap on a capital gains tax.

Another said:

> The 2 per cent tax is not too onerous for anybody.

This guy should ask the ordinary guy on the street just how onerous the 2 per cent tax is. One businessman at least had the objectivity to say:

> I would have liked to see a higher rate of taxation on people such as myself. It's sort of a punish the poor budget.

The ordinary man in the street has a meagre enough wage to work on. Increasing taxes beyond the present level will work hardships. Really, Mr. Speaker, this budget is a punish the poor budget. The poor of this country are being asked to pay for the government's mistakes.

Some hon. Members: Hear, hear.

Mr. Saltsman: If we accept the argument that taxes must be increased—I do not accept it and will have something to say about it later—why must it always be the little guy who pays? The bulk of new money will be raised by the 2 per cent social development tax which hits hardest those least able to pay. Thus our present, unfair tax system is made even more unfair by such an unfeeling levy.

The Carter commission on taxation said that Canada had one of the world's worst tax systems in terms of the burden it imposed on the middle and lower income groups. The Prime Minister in his just society, with his coat-tail hangers-on, could have implemented the reforms recommended by the commission, thus ending the privileges which have enabled many of the richest individuals and companies in Canada to escape their just share of taxation. Instead, we have a rejection of the general principle of the commission that "a dollar is a dollar and should be taxed as such." The minister seems to have rejected explicitly the concept that a buck is a buck. He rejects the principle that taxes should be based on ability to pay and that tax rates should be determined by what a person earns and not how he earns it. By applying this principle and eliminating all tax concessions now enjoyed by a privileged class much more revenue could be collected without increasing tax rates, which already bear too heavily on the working classes of this country.

There were sighs of relief in the Canadian mining, oil and gas industries when the new taxes were announced. I am sure that many corporate heads slept more soundly because of the minister's solicitude for their welfare. The minister introduced a mere proposed tightening of depletion allowance regulations, hardly affecting over-all corporate tax positions.

For equity and economic reasons the Carter commission recommended complete removal of both the depletion allowances and the three year tax holiday for the extractive industries. If they had been taxed the same way as other companies are taxed, these industries would, according to Carter, have paid $150 million more in 1964 taxes. Perhaps they would pay more today if Carter's recommendations were followed.

Apart from considering taxation on a fair basis, Carter also pointed out that increasingly capital in this country is being seriously misallocated. We shall not obtain maximum advantage from our resources as long as there are inequities in our tax system. The so-called just society has introduced a social development income tax with a ceiling of $120. Let me say in no uncertain terms that this tax is a regressive tax that will fall most heavily on those who are now paying to the maximum of their ability.

• (5:40 p.m.)

This 2 per cent social development tax—and I must congratulate the minister on his coining of euphemisms—is in fact considerably more than the 5 per cent surcharge on personal income tax budgeted by the Pearson government in November. The difference is that the government's new tax will be levied on taxable income, which is much greater than the basic tax on which the 5 per cent surcharge was to fall.

Only the rich are better off. The ceiling for their social development payments is $120. Under the proposed surcharge it would have been $600. The setting of an upper limit on the impact of the 2 per cent tax means that the small wage earner will be proportionately much harder hit than those earning $10,000 and upward. In addition, the lid for any taxpayer, whether he earns $10,000 a year or ten times that amount, is the same. And because the 2 per cent tax has a special name and is not considered as part of the regular personal income tax, Ottawa will not have to share it with the provinces.

This is another aspect of the budget which I find most disquieting—the reaction of the federal government toward the provinces, the attitude of "I'm all right, Jake; you take care of yourself." It is an attempt to pass the buck, to avoid responsibility, and to say: We shall be all right; our revenues are increasing faster than our commitments for the future and we shall come out smelling of roses when we are ready for an election, and the provinces will not. In a country which is concerned about national unity and about reaching an agreement acceptable as between one part of the nation and another, the arrogance of this government must stand as a roadblock to the achievement of national unity.

The details of the budget show clearly that the new Liberal government—perhaps we should call it the old Liberal government because nothing much seems to have changed—under its new leader—again, perhaps we should say its old leader because nothing much seems to have changed—has re-established the tradition of reaction and conservatism in economic policy, and this after only four months in office.

I am unhappy about what the speaker who preceded me said but I recognize the difficulty and delicacy of his position. Appreciating his problems, I congratulate him on his speech today. This budget and the present government are so conservative and so orthodox that it is extremely difficult for members of the official opposition to do very much about it.

In the course of the budget speech the Minister of Finance said:

> Canada is in a period of widespread prosperity but with troubling problems of inflation and regional unemployment.

I say to the minister: how fatuous can you get? The hon. gentleman has little cause for self-congratulation on the performance of the Canadian economy. In relation to its potential the economy is in trouble. We are experiencing the highest unemployment rate in five years and the figure threatens to go even higher. A news story in the Toronto *Star* on October 1 under the headline "Employment Outlook Dim For Late 1968" contained the following:

> Employment prospects across Canada for the fourth quarter are not as bright as a year ago, reports manpower services latest survey.

In the Ottawa *Citizen* of September 3 the following appeared:

> Unemployment may become a more serious economic problem in Canada than inflationary pressure.

This was reported on the objective authority of the Toronto-Dominion Bank. Despite the indications of the danger of unemployment, the government insists on ignoring all the signs. The economy is not expanding rapidly enough to take care of new entrants into the labour market. The Economic Council of Canada puts it this way in the council's fifth annual review. I quote from page 183:

> By contrast with the previous six years, the expansion of employment opportunities since early in 1966 has not been rapid enough to fully absorb the marked increase in the labour force. The rate of growth and demand in employment moderated after the spring of 1966 and unemployment rose from a level of about 3½ per cent of the labour force to 4½ per cent in the fall of 1967, after allowance for seasonal factors. Subsequently, it ranged narrowly around this figure for a time, then moved above 5 per cent in mid-1968, partly reflecting sharply changed conditions in the summer market for students.

Bad as these figures are, they are even worse when examined on a regional basis. Again, a government which has said it is concerned about national unity should realize that a major threat to national unity is the feeling that Canadians in certain parts of this country are not getting a fair share. When unemployment increases to a nationally high figure, certain parts of the country are far more adversely affected than others. In the Atlantic provinces the figure is 7 per cent; in Quebec it is 6.2 per cent, and in British Columbia, 6.1 per cent. This is despite the fact that the growth of the labour force in the maritimes is only about 1.9 per cent as against an average of 4 per cent. The maritimes are being denuded of their people. The exodus from that region is becoming massive. Even when migration takes place, tragic as it is for an area, there is really very little that these people can go to elsewhere. The economic council follows up its previous statement by saying:

> The level of unemployment in Canada has recently been significantly above that of the United States for the first time since the middle of 1963.

We are going very quickly backwards. It is a dismal record compared with that of our closest neighbour. Rising prices have not been contained and unemployment is one and a half times as high. Although the gross national product is expected, according to the budget, to increase by about 8 per cent in 1968, the minister did not bother to tell us the significance of that figure. In terms of real output per employed person it is only one per cent, one of the lowest growth rates among western nations. It is an abysmal record and one in which the government can take no pride in view of its years in office since 1963.

The past performance of the government leaves much to be desired and the present budget will not improve the prospects for increases in productivity. The first annual review of the economic council had this to say—and it is a point which the council has made over and over again:

> Over the past decade, the Canadian economy appears to have experienced one of the slowest rates of growth of any industrialized advanced country in the world both in terms of average productivity and average living standards.

This is despite the fact that we employ more capital per worker than any other country in the world. Usually there is a close relationship between employment of capital and productivity. The assumption has always been that if a worker is given more equipment he will be able to produce more and, generally speaking, this holds true. It holds true except in one country—Canada.

• (5:50 p.m.)

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 the following bills:

An act to amend the Judges Act.
An act to amend the Post Office Act.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Winnipeg North (Mr. Orlikow)—Royal Canadian Mounted Police—reported criticism by Manitoba supreme court judge; the hon. member for Burnaby-Seymour (Mr. Perrault)—Immigration—inquiry as to assistance to refugees from Czechoslovakia.

Pursuant to special order made this day, this sitting stands suspended until eight o'clock this evening.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion (page 1677) of Hon. E. J. Benson (Minister of Finance) that Mr. Speaker do now

leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Lambert (Edmonton West).

Mr. Saltsman: Mr. Speaker, the Liberal party has for too long confused the Canadian public on the question of the need for capital in Canada. I think it has become quite obvious, especially since the York study on capital was issued, that the problem in Canada is not shortage of money but rather the misuse of capital in the absence of policies for investment in this country. The evidence of this has been available for a long time: it has recently been reinforced by the Watkins report.

Under the desperate urgings of the former member for Davenport the government commissioned a study on foreign ownership and structure of Canadian industry. It was not a revolutionary document; it was rather mild, and one gets the feeling that the people who worked on that study desperately wanted the government to accept it. But even that mild document was not good enough for this reactionary government, and the report became a foundling, joining the abandoned child of the Carter report. Now we have two voices, those of Carter and Watkins, crying out in defence of their reports. We have fallen over ourselves in a desperate effort to obtain American capital, with the result that we have oriented our whole domestic policy to that purpose.

The hon. member for Edmonton West (Mr. Lambert), who preceded me, rightly pointed out how we have subordinated most of our policies in a desperate pursuit of American money. And to what end? As one of the writers of the Watkins report pointed out in the *Journal of Canadian Studies* of August, 1968:

> The report's conclusion . . . was that we had dissipated much of the gain from foreign direct investment, and that most of the blame for this state of affairs—and the solution lay squarely with governmental policy or the lack of it.

Professor Watkins, who headed the study, had this to say in the *Executive* magazine of August, 1968:

> —we can say that without an appropriate set of government policies which create an efficient structure of industry in Canada, the benefits of foreign direct investment tend to be emasculated.

Most governments in the world resist invaders that would take over their country; but not Canada. The invaders did not even have to fire a shot, they did not have to build a Trojan horse; the government simply flung the gates wide open and took the marauders to dinner—and what a great feast was that dinner. They consumed 60 per cent of our manufacturing, 75 per cent of our petroleum and natural gas, 59 per cent of our mining and smelting, 97 per cent of the automobile industry, 97 per cent of rubber, 78 per cent of chemicals and 73 per cent of electrical apparatus.

But in this budget there is not one word, not one hint of any indication from the government of the danger facing political sovereignty in Canada or of the abject economic dependence they have forced upon this country. It is not just the need for policies designed for the Canadian culture; it is a question of productivity as well. The reason for the low productivity in this country is the presence of United States branch plants. Productivity is not a function of how hard a man sweats; it is a function of how well the resources of a country are used, and the resources of this country are not being used well because our government is taking no interest in their use. We in this country could be enjoying the highest standard of living in the world. We certainly have the resources for that purpose. We in this country should be producing enough wealth to pay for all those programs that are so necessary to a civilized country.

The 1967 report of the O.E.C.D. showed that of 14 countries Canada has the lowest productivity growth per person employed. We stand behind Japan, France, Austria, Italy, West Germany, Norway, Denmark, Sweden, the Netherlands, Belgium, Switzerland, the United Kingdom and the United States. We cannot enjoy what we do not produce. We cannot solve the problems of poverty with balanced budgets and with government attitudes reluctant to make the economy more efficient and productive.

The main thrust of economic action in Canada should be toward policies of affluence and justice, toward increasing our wealth so that there will be more to share and more to provide the means of diminishing the appalling poverty in this country. Canadians were shocked at the forthright report of the economic council in its fifth annual review when it said:

> Poverty in Canada is real. Its numbers are not in the thousands but the millions. There is more of it than our society can tolerate, more than our economy can afford and far more than existing measures and efforts can cope with. Its persistence, at a time when the bulk of Canadians enjoy one of the highest standards of living in the world is a disgrace.

Mr. Speaker, any budget that does not move to ameliorate the conditions of poverty in this country must also be considered a disgrace. In a report in the Toronto *Star* of October 21 the Canadian Welfare Council pointed out that 400,000 children live in squalour. The report went on to say that the first major study of housing conditions of welfare recipients in Canada indicates as many as 400,000 children live in shoddy, depressing and disease-ridden homes that lack even basic toilet facilities. On October 24, in the Toronto *Telegram,* the Canadian Welfare Council accused finance minister Benson and the federal government of just plain, damned dirty tactics. The executive director, Mr. Bates, said:

> Mr. Benson was only attempting to mislead the Canadian public by calling the 2 per cent increase in income tax a social development tax. It is most unfair and most inaccurate because the budget does not say there is any social welfare program or social development program to go with such a tax. He claimed the label was part of an apparent campaign by the Trudeau government to discredit social welfare programs and to condition the Canadian public against the financing of any further such programs. It is just plain, damned dirty tactics—

It is not that the Canadian economy lacks resources to ameliorate these conditions. It is not that the Canadian economy does not possess the inherent ability to correct poverty and provide decent housing for its citizens. It is just that this government has refused to set priorities in our economy, priorities that are meaningful and productive for our people.

• (8:10 p.m.)

At a time when we cannot build enough houses for those who need them, construction goes on which we could very nicely do without. Retail chains seem to have no trouble meeting their needs. A recent report in the *Globe and Mail* states the Dominion Stores plans to open 200 more stores and Steinberg's intends to open 15 or 20 stores a year. Kresge plans to open five or six. It would seem that every major chain is expanding. There does not seem to be any lack of money for their expansion plans. It is too much to expect that those millions of Canadians who are badly in need of homes would agree that shopping centres should have first priority. Perhaps instead of camping in the office of the mayor of Toronto some of these people who need homes so badly might be bedding out at the shopping centres.

In the face of these problems of high unemployment, not enough jobs for the young people who are entering the labour force, a bad productivity performance in our society, intolerable poverty amidst the affluence of some, the wrong priorities in terms of the needs of its people, what does this government propose to the Canadian public? It proposes a stand pat budget. It proposes to drag its feet. It proposes a balancing act, but it is a balancing act that will see the Minister of Finance take a tumble. Just as the former minister could not move his budget close to balance, just as his predictions on deficits were wrong, so too this minister probably will be wrong. If he balances his budget at all it will be at a cost of intolerable unemployment. The only time it makes sense to balance a budget is when the economy is operating at or near full potential. We are a long way from that.

If the minister wants to balance his budget sensibly he should be introducing full employment policies, because only under full employment can a budget truly be balanced without disaster. Departures from potential output will cause the Canadian people to endure economic losses which can never be regained. At less than full employment the government's taxation expenditure system automatically produces a deficit. Revenue does not rise as fast as it would at full employment because individual incomes do not move up into higher tax brackets. Spending on welfare and unemployment insurance automatically increases as the economy falls away from full employment. Together these two effects produce some economic effects in the form of an automatic deficit any time the Canadian economy falls short of its potential output. The deficit that is produced in this manner is just about big enough to stop unemployment from worsening, provided consumer business and government spending stays steady.

A balanced budget is correct policy for stabilizing a fully employed economy, but at present the Canadian labour force is not fully employed. Indeed we are far from that goal, and the rate of unemployment is rising throughout the land. The Minister of Finance has responded to this problem with a budget aimed at economic contraction rather than expansion. He has cut the deficit this year and has promised to balance the budget next year. This policy ignores the need for a policy to revive employment, and it goes far beyond the idea of a balanced budget at full employment. It is a ridiculous growth impeding policy.

The nature of the tax transfer system in Canada does not allow the Minister of Finance to balance his budget when there is 5 per cent unemployment. If he attempts this policy he will be frustrated. Tax revenues will fall below expectation and payments to unemployment insurance will rise. The economy will fall even further away from potential and a deficit will appear.

Canadians cannot afford to lose goods and services which they might otherwise have enjoyed because the Minister of Finance is unable to distinguish between the means to achieve policy and the ends of economic policy. The government's budget is a tool of economic policy and the balancing of the budget is not an end in itself. The government has set the goal of achieving potential output. To do that it must use its policy instruments wisely, reverse the rise of unemployment and plan a deficit that will put Canada back on her potential economic growth path. If the economy were fully employed it would seem as though the budget would be balanced automatically. A few years back in the 1950's when ministers were attempting to get a deficit they could not because the economy was operating at close to potential.

The minister might agree with what I say but argue that I am discounting the problems of inflation. Let me say at this time that I regard those problems seriously. I think steps must be taken to contain inflation, if only to avoid the kind of hysteria we have seen on the part of the government. The minister should tell the Canadian people that some price rises are unavoidable and that some prices have to catch up with other prices. As has been pointed out, many of our price rises are tied in with the United States. We should disentangle ourselves from the United States economy, so that we will not be so tied in with their problems.

In order to compensate for some of the inevitable price rises that will take place, I think the government as a matter of policy should be reviewing our pension programs, to see that they increase automatically, in order to take care of the difficulties and problems created for people on pensions. It is unfair for the government to suggest to pensioners that prices will be held and they will not be hurt. This government knows it cannot hold the prices beyond a certain point.

If the government were indeed to be truly fair and honest with the pensioners of this country it would make those adjustments, so that the people do not suffer from the price increases. I believe the time is past when inflation can be controlled by macro-fiscal policies. It is not every part of the economy that is inflated. If a real attempt is to be made in this regard, specific policies must be instituted and specific measures must be taken. The government should create a prices review board to see that price increases are examined when they take place, in order to determine that they are genuine and that no price increases take place unless they can be justified.

Mr. Speaker, I should like to place on the record some information regarding the dreadful cost of unemployment when it takes place in this country. The Economic Council of Canada, when it talks about the year 1960, says:

> The economy was capable of producing over 8 per cent more production and income than actually occurred. The increases in the major federal tax revenues stemming from an attainment of potential output would have been considerably greater than the implied rise in output itself. It has been calculated that personal income tax yields at the given rates would have been 12 per cent and corporation income tax yieds by more than one third. In the aggregate, such calculations indicate the potential output levels in 1960. Federal yields, had the rates been given effect, would have been over 18 per cent higher than the actual collections in that year, and the economy was operating substantially below capacity.

Although it is very difficult to translate this kind of information into current terms one thing must be obvious. We have suffered an enormous loss in production as a result of unemployment. It would appear that there was a potential loss of five per cent in the 1967 gross national product, accompanied by an over-all tax potential shortfall of over 10 per cent. In other words, we lost $6 billion in goods and services in 1967 and $1 billion worth of taxes more than the minister is attempting to raise in this budget.

The purpose of putting these facts on record is to indicate the outrageous stupidity of a government that tries to raise its revenues by contracting the economy and making every small taxpayer pay for its mistakes. With an expanded economy, tax revenues would be more than sufficient to take care of the needs of this government plus the additional programs that are so badly required in this country.

• (8:20 p.m.)

This budget explicitly rejects the Keynesian revolution of government fiscal policy used in promoting full employment of the labour force. It rejects the application of modern

economic theory in the area of full employment surplus in attempting to achieve the full potential of the economy. The budget rejects also the Canadian white paper on employment and income of 1945 in which the federal government assumed complete responsibility for the full employment of the labour force and undertakes instead a deliberate policy of forced unemployment in Canada. The budget rejects the general philosophy of the Carter commission on taxation, that the first and most essential purpose of taxation is to share the burdens of the state fairly among all individuals and families.

Canadians are shocked when we say today that the government of this country created unemployment; but the government has created unemployment. I think Canadians should realize what their government has done. This budget rejects the goals of the Economic Council of Canada of full employment, of a high rate of economic growth and of equitable distribution of rising incomes. For these reasons this budget should be rejected by this parliament. I therefore move: seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the amendment be amended by changing the period at the end thereof to a comma and by adding immediately thereafter the following words:

"and rejects in particular the 2 per cent income tax increase, with its $120 cut-off, which is an outrageous burden on those in the lower and middle income brackets and adds to the inequity of our tax system.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am pleased to have my turn this evening to say a few words in order to criticize the budget that was presented to us.

Mr. Speaker, this evening I should have liked to have heard our expert on financial matters, the member for Compton (Mr. Latulippe), who certainly will have the opportunity of analysing the budget and of pointing out its weaknesses, not only for the benefit of the hon. members but especially to acquaint the people of Canada with the work that goes on in this house, and in particular with those things that keep happening every session. I shall therefore limit myself to generalities this evening, leaving it to some of my colleagues to analyse the budget in detail.

Listening to the Minister of Finance (Mr. Benson), when he brought down his first budget—but not the first one we have had in this year 1968—I realized that the formula was always the same. Much emphasis, but very poor results. At the very beginning of his statement, as will be found on page 1677 of *Hansard*, the minister said, and I quote:

[Mr. Saltsman.]

The government and its strong parliamentary majority have come into office with many new ideas and a desire to look at our problems with a fresh perspective.

The wish he expresses, Mr. Speaker, every Minister of Finance has expressed before him; indeed, there is no lack of good will in the departments, or on the part of the minister and the government chambers. Further on, the minister tells us what is lacking, and I quote:

However—

—after having expressed that great desire, there is a "but".

—we have, however, many major commitments. These restrict our freedom of innovation and make it necessary for us to work out our new ideas over time.

I feel that those lines are full of meaning for the people of Canada, because the minister admits that he is not free to innovate as he would like to, that he will need time. How much time will he need? One year, two years, the whole period the present government is in power? That is precisely what the whole population is wondering about.

I think that the members who want more information about that budget had better deal directly with the senior officials since the minister is often their obedient tool, their spokesman. I do not see any in the galleries tonight but usually they are there watching. That is what makes the people say that Canada often has an irresponsible government. A democratic government that is not elected by the majority of the people cannot be responsible to the people and that is precisely the present state of our government of bureaucrats. If you add to them the spokesmen who are the ministers elected by the campaign funds of the financiers, who are even less able to represent the voice of the people, you have an idea of our bureaucratic dictatorship which some people still have the nerve to call a monarchist democracy.

It has become customary to get a new minister of finance for each budget, but great care is taken not to tamper with the government machinery. With each budget new actors in new costumes are seen but the director remains always the same. They claim that it is a brand-new play, but we readily realize that the original version goes back to one hundred years. And the Canadian comedy

goes on, as the parliamentary majority is pleased with it.

This budget resembles all the others in that it levies new taxes on those who can least afford it. If we consider the budget speeches delivered since this government came into power, we see that a series of tax increases have been deducted from the wages of our family heads, thus reducing the purchasing power. Some will object that the people constantly require more services from the State; the government meets these numerous requirements by levying taxes, surtaxes and triple taxes, since the advocates of the new method of taxation start from the principle that the government does not give anything for nothing.

Some even say that the government does not create anything, and yet something is created here in Canada. In fact, chartered banks create monetary credit. Who gave them the power to manipulate, to multiply their assets 14 times, to create out of nothing, with a mere stroke of the pen, new credits which cost them nothing but on which provincial and federal governments may pay 10 per cent in interest, since the ceiling on bank interests has been removed?

The federal government only has been able to grant chartered banks the privilege of serving as substitute for the State. That means that only parliament had this power of creation. Then, why would the present government, through its agency, the Bank of Canada, not recover its powers, by giving back to the Bank of Canada the exclusive right of creation which it granted to chartered banks? By so doing, the government would kill two birds with one stone since, besides innovating, it would recover the tool enabling it to control its economy.

• (8:30 p.m.)

In this way, every year, through the Bank of Canada, the government would be able to take over and to administer the excess yields or the new credit in the country, which it could also multiply by 14, if necessary, like the chartered banks are doing now.

I think it is time that the Minister of Finance started to look for money where it is to be found, when he has to levy a new tax, that is, in the pocket of those who are exploiting the country. We are continually being told that Canada is the second richest country in the world, and the minister himself said it in the speech he made on October 22, which is to be found on page 1678 of *Hansard*, and I quote:

> We have a labour force that is growing more rapidly than that of any other industrial country. It is also increasingly well educated and trained for work in modern jobs. Our natural resources are the envy of others and the basis of our industry and wealth. We have a large industrial capacity, much of it now relatively modern and little of it in serious excess.

Although we are the richest country in the world and the one with the greatest natural resources, Mr. Speaker, we are also the one most deeply in debt, because foreigners control almost 80 per cent of our economy.

That is why the minister said, as shown on page 1679 of *Hansard*:

> We do however face serious problems in organizing our economic advance and expansion, in managing it and in financing it. Both in our public and private activities these tasks are going to require the best brains and work that Canadians can devote to them. Great economic advance is open to us but only if we manage our affairs well.

I think that when the minister said that, he was convinced that the greatest problem facing Canada today is that it does not control its own economy. In fact, our economy is controlled by foreign capital and interests which we merely serve. Mr. Speaker, that is not a very reassuring picture for the present administrators, nor a very honourable achievement for their predecessors.

We the members of the Ralliement créditiste, maintain that Canada is rich enough, if it were to make logical fiscal and monetary reforms, to give its population a decent standard of living and that a Canadian government can administer the country soundly and rationally without imposing taxes the way it is doing today.

The present government says that it is impossible and the people backed them up on June 25. We accept the verdict, but we now suggest to the government that even under its taxation system, the logical thing to do would be to begin by taxing those who can pay taxes or those who are in the most favoured positions.

As an example, I would say that the government should require from the chartered banks that they disclose their hidden reserves—which amount to more than a billion dollars—on which they have never paid any income tax. All that was done with the approval of the former governments as well as the present one. The same thing applies to the large companies, whether they are foreign

or not, which are granted unreasonable privileges and leeways which are on the verge of complicity.

After all those loopholes and all that deliberate forgetfulness, the house is told that the Minister of Finance cannot make both ends meet and that the labourer rather than the profiteer must be taxed. According to the new minister, there should be no more talk about taxes but rather about social development. What a brain-wave that was, Mr. Speaker. It must be the result of much thinking on the part of officers of the Department of Finance where at least some financial experts can be found. But the minister should not get excited, because it will not produce the results he expected. The worker has known for a long time that a tax is a tax, and that the so-called social development is also equivalent to a tax which will take a little more out of his pay.

Not being a first rate expert in financial matters, I prefer to stand on safe ground when stating my case. I would therefore like to read part of an editorial published on October 23, 1978, after the budget had been brought down.

An hon. Member: 1968?

Mr. Gauthier: Yes, 1968; it is a little sooner. Now I quote:

In spite of the wishes expressed during the last election campaign by the Liberal team led by Mr. Trudeau, to reduce government expenses, in order to bring down a balanced budget and in spite of the fact that government expenses were cut down since it came to power, the federal government will register a deficit of $675 million this year. In addition, the Minister of Finance had to levy new taxes and increase others to reduce the magnitude of that deficit. And so, an additional tax of 2 per cent, called the "social development tax", will be paid by all taxpayers. On the other hand, corporations will have to pay their income tax two months in advance;—

Should another minister take over the portfolio, I am afraid the companies—and I know whereof I speak, for I own a company—will have to pay their taxes a year ahead of time, to give a chance to the Minister of Finance. Can you imagine the headache for company directors.

—insurance companies now have to pay a corporation tax; banks and mortgage companies will see their non-taxable reserves reduced by half, while oil and mining companies will be subjected to controls on their non-taxable allowance, namely the depletion allowance. In short, this is a harsh budget which will affect the economic life of all Canadians.

• (8:40 p.m.)

Through these new taxes and the increased rate of certain others, the Minister of Finance (Mr. Benson) is firmly resolved and expects to balance the budget for the 1969-70 fiscal year. He even optimistically forecasts a $5 million surplus of revenue over expenditure. Faced with these predictions, the taxpayers are rightly perplexed and even pessimistic for, last March, the government had forecast expenditures of $10,225,000,000. A few months later, it realized that it would go $446 million over that figure. Announcing on Tuesday that the total expenditure of the government would be $10,780,000,000, Mr. Benson noted another increase in government expenditure of $109 million for the present fiscal year, and those are not yet the final figures for 1968-69. We note that there has been a net increase of $555 million over the estimates prepared eight months ago by the former minister of finance (Mr. Sharp). Taking into account the incredible mistakes in the estimates, which a company could not survive, what confidence can we have in the declared intentions of the government to restrain and retrench government expenses and to balance the budget? Mr. Sharp's estimates, last February, and the almost uncontrolled increase in expenditure compared with the said estimates, are examples characteristic of the efficiency of the plans of the government. Once more, therefore, the federal government, presents an inflationary budget which affects all the consumers whether or not they are poor. The loans he will have to obtain in order to make up for the deficit will increase the inflationary pressure and new taxes will increase the prices of consumer goods. The more the budgets are brought down at all levels of government, the more they look alike.

As I was saying a few minutes ago, this is always the same thing. Here is another excerpt of a Montreal newspaper with the heading:

The two percent increase is a hold-up.

The following, Mr. Speaker, reflects the opinion of the labour unions:

Mr. Louis Laberge, president of the Q.F.L., was commenting yesterday on the budget brought down Tuesday evening in the House of Commons by the Minister of Finance, Mr. Edgar Benson.

Mr. Laberge did not go half way about it when he said: The two percent increase in income tax for individuals, with a maximum of $120 is indeed a hold-up at the expense of people with a low income by a government recently elected with misrepresentations about a "just society".

Should the minister want to know about popular opinion, let him read the newspapers.

On October 24, in *La Presse* we read:

"The small people again have to pay. The budget is always the same as the small people have to pay the shot—so was saying somebody, yesterday morning, on coming out of the Place d'Armes metro. This sums up the general impression of the people—

—of the province of Quebec and Canada.

I should like to read another item published in the October 23 issue of the *Journal de Montréal*:

Budget increased by $890 million

Before bringing down his first budget yesterday in the House of Commons and incurring the

criticism which would inevitably follow, the Minister of Finance in the Trudeau cabinet, Mr. Edgar Benson, had a haircut and a light meal.

That I did not know.

His total budget is of the order of $11,670 billion—

An hon. Member: Say it again, he did not get it.

Mr. Gauthier: Indeed.

An hon. Member: Because of his meal, he was not wearing his ear-piece. Say it again for his guidance.

Mr. Gauthier: Mr. Speaker, we are told that before bringing down his budget, the minister

—had a haircut and a light meal.

I did not know that.

His total budget reaches $11,670 billion, or an increase of $890 million compared to that of 1967-68.

In order to bear such an increase, the Canadian people will be taxed for the second time this year. Minister Benson has also provided for a cut in expenditures—

And for doing away with haircuts, probably.

—a cut in expenditures—

Mr. Speaker, I think that these few criticisms voiced by the public through the press are justified. But what does the minister propose to do about all those tax increases, against all those taxes which burden the workers? What solution does he suggest? He states it again here, as reported on page 1681 of *Hansard,* and I quote:

1969-1970 Fiscal Outlook

It is difficult to forecast our position in the next fiscal year at such an early date as this, yet I feel I must make some effort to do so in order to develop the tax proposals that I think it is necessary to place before you tonight.

We intend to continue severe restraint—

He does not ask himself whether it is possible to collect more money in the country, but he proceeds right away to talk about restraint. They all think of that famous tax. It seems to be their only solution.

We intend to continue severe restraint upon those direct expenditure programs under the government's control—

This is rather serious.

—under the government's control, eliminating what is obsolete and permitting only the degree of growth that is essential.

We shall have to resist requests by members on both sides of the house, and from groups and individuals outside, to spend money for worthy purposes which we cannot afford to do along with the other things we are doing. It will also be necessary to maintain a virtual freeze on the size of the public service of Canada. We shall also seek the vigorous co-operation of the provincial governments in the same kind of restraint—

It is only then that he appeals to the provinces, I think.

Mr. Speaker: Order. I must interrupt the hon. member to remind him that the time allotted to him has expired, unless the house agrees to let him go on.

Some hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, I wish to thank my colleagues and I will be through in two minutes.

In such circumstances, the federal government decides to meet the representatives of the provinces because we have always noticed that each time it wanted to take certain steps about the shared cost programs, as it did about the winter works program for instance, it acted first. It started by discontinuing winter works and then it informed the provinces that it would no longer grant subsidies. It has always been its way of interpreting relations between the two levels of government. I realize that when it is a matter of saying to the provinces: It is impossible, you will not do that, then it wants to consult the provinces. I hope that once it will at least heed the advice it so often gets in this house and consult the provinces more often. Then, it might get better guidance.

To conclude, Mr. Speaker, we feel it would be more advisable, instead of reducing the subsidies paid to the provinces, that the expenditures for national defence be cut by 50 per cent and the interest on the national debt, which is unjustified and unjustifiable, be reduced.

In my opinion, the government should meet the financiers. I do not blame the present Minister of Finance himself; I mean the Department of Finance in general. Since its creation, legislation is being adopted to protect it. Let the minister go to these magnets of finance, to the chartered banks, and ask them for an extension of interest, a gift of interest, for two or three years. Mr. Speaker, I am sure that if the Minister of Finance did that, he would be elected Minister of Finance for at least ten years.

In conclusion, I therefore suggest this to the government: instead of cutting down useful projects or cancelling them, why does it not look for other solutions and other ways of saving, to balance the federal budget which, in spite of what the minister has told

us, will surely have another deficit at the end of the year.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I am pleased to participate in this debate to second the amendment moved by the member for Edmonton West (Mr. Lambert) this afternoon.

I must say that the member for Edmonton West moved an amendment which, to my mind, is realistic with regard to the financial situation of our country.

The statement made by the hon. Minister of Finance (Mr. Benson) when he brought down the budget was, I think, a parody of the statements made by the members of the present government during the election campaign. At that time, according to them, Canadian finances were faring very well. We were promised a balanced budget, thorough fiscal reforms which would do away with obvious inequalities and injustices in matters of taxation.

• (9:00 p.m.)

Today, we face a budget statement filled with contradictions with regard to what expenses are foreseen, and reductions of the moneys voted for non essential programs. There is a general lack of planning in government expenditures. Those contradictions on the financial state of our country have placed the government in a strained position and we wonder about the credibility of this government in financial matters.

On May 21 last, the present Minister of Finance stated that the Canadian budget deficit for 1967-68 would amount to $808 million, while on the 1st of June, the former minister of finance (Mr. Sharp) stated that there would be a deficit of $740 million, which would be adjusted to $785 million on November 30. Expenditures were 12 per cent higher than in 1966-67, while revenue had increased by only 8 per cent.

During the election campaign, Mr. Speaker, in order to secure the support of the Canadian businessmen, the minister kept repeating all over Canada that the new government would propose a balanced budget.

On June 3, 1968, at Calgary, the former minister of national revenue, who is now Minister of Indian Affairs and Northern Development (Mr. Chrétien) made the following statement.

[Mr. Gauthier.]

[*English*]

The next budget will be a balanced one and every attempt will be made to hold the line on tax increases.

[*Translation*]

On June 6, 1968, the Minister of Finance, in turn, promised that a new Liberal administration would present a balanced budget. On June 18, the Prime Minister of Canada (Mr. Trudeau) declared also, at Fort William, that a new Liberal government would present a balanced budget.

What then has happened since June 25 that made this government hasten to forget its electoral commitments?

Mr. Paul Langlois (Chicoutimi): The budget is indeed well balanced.

Mr. Asselin: For next year it is far from sure. Would the honourable member for Chicoutimi have the cheek to get up and tell us, as the honourable Minister of Finance has done for the past six months, there is going to be a balanced budget when his estimates have shown discrepancies amounting to hundreds of millions of dollars?

Would the honourable member dare to get up and say on behalf of the Minister of Finance that the budget for next year will be well balanced notwithstanding the flagrant inconsistencies of his last budget?

Mr. Speaker, one will admit that a Minister of Finance can make a mistake, but a series of contradictory statements will never lead us to believe in the minister's good faith, and this budget clearly indicates that the Canadian people are entitled to question this government's credibility.

We have been trying for two years to make the government understand that it should cut its expenses drastically. Besides, cuts were promised to us on several occasions, when we made representations to the government.

We also asked the government to establish priorities with regard to expenditures in order to check inflation effectively. Unfortunately, this was not done and the budget is the result.

I wonder whether the minister has some notions of accounting or if his computers or his adding machines broke down, but the difference in the estimates lead us to believe that all is not well in the Department of Finance.

Mr. Speaker, a review of the budget in an Ottawa newspaper, on October 23, 1968

clearly shows that every time the minister has made forecasts, he has been utterly wrong.

Let us consider carefully that review which states: Six months ago, Mr. Benson said that government expenditures would not exceed $10,300 million for the current year and that the budget would be balanced through a minor tax increase. A month ago, in September, the government tabled the estimates for the current year which reached $10,670 million.

On October 22, the night he introduced his budget, the honourable minister stated that expenditures would amount to $10,780 million, or 4.6 per cent more than his estimates of six months ago.

However, federal government expenditures for the fiscal year commencing April 1 are estimated to range about $11,670 million, namely 8.2 per cent more than for the current fiscal year and 13.3 per cent more than the first estimates which amounted to $10,300 million. What does this mean in terms of dollars, Mr. Speaker?

Federal expenditures for the current year exceed by $480 million the estimates tabled six months ago. And the minister suggested that next year, government expenditures would reach $890 million.

This year's increase of $480 million represents an average of $33 for each individual on the labour market. The increase in expenditures for next year, will amount to $62 for each individual on the labour market. This year, the government will spend the equivalent of $744 for each individual on the labour market, that is $33 more than forecast last May. Next year, the government will spend the equivalent of $817 for each individual now on the labour market, that is, $96 more than forecast six months ago.

How is it possible to reconcile this enormous increase in expenditures with the statement of the Minister of Finance who, according to the Canadian press, said in Peterborough on June 5, that he would resign as Minister of Finance if the members of his party expected too much from the government regarding the increase in expenditures. Naturally, the minister has no alternative but to retrench government expenditure and fulfil the promise he made in Peterborough last June.

Mr. Speaker, we must now ask ourselves the following question: Who will pay for the incompetence the minister has shown in planning government spending? The answer was given by hon. members during the day and it is found in the budget which the hon. minister introduced last week: Taxes, taxes and more taxes. The small taxpayer will again be the one hardest hit by this budget.

Mr. Speaker, the minister called this a social development tax. In my opinion, it is more of a social injustice tax. When a taxpayer earning $5,000 is treated in the same way as one whose annual income is between $10,000 and $15,000 a year, this tax, which has a ceiling of $120, is, in my opinion, flagrantly unfair to the lower income groups. The government cannot be asked to tax the rich people. The other day, the Prime Minister said in Halifax that, in a forthcoming budget, he was considering reducing taxes for the people that are well off. Why not tax the rich ones? The Minister of Finance explained it in his last speech on the budget: it is feared that there will be a brain drain of highly paid people to the United States.

The poor people who have not fared better in life must remain in the country and be burdened with taxes that have been announced in the budget speech. In my opinion, this budget brought down by the minister of Finance is one that hits the taxpayers the hardest since the end of the war.

• (9:10 p.m.)

In his speech, the Minister does not indicate that the government will substantially reduce its expenditures. I said earlier that this is a budget of social injustice and to show you why I will give you some examples.

In 1969, the $550 exemption will be lowered to $300 for any child not reaching the age of 16 before the end of the fiscal year. At the present time, taxpayers are allowed a $550 exemption for a dependent child but this amount is brought down to $300 when the child is eligible for family allowances.

Another example would be the 2 per cent tax on individual income effective on next January 1. Whatever their income, Mr. Speaker, this tax is applicable to all taxpayers through an additional deduction of 2 per cent on their taxable income. However, as a favour to the more fortunate people, that tax will not exceed $120 a year. I repeat, this is a social injustice budget,

What will the workers say, Mr. Speaker, about the statement made during the last electoral campaign by the government now in office? What is this social development tax, Mr. Speaker? How much will a married man

with two children eligible for family allowance, pay as a result of this increase? A person earning $3,500 a year now pays $102 in income tax and he will have to pay an additional amount of $16 because of this tax hike. A person earning $4,000 a year is now contributing $184, and because of the new tax he wil pay $26 more. A taxpayer now earning $4,500 a year and paying $275 in income tax will have to pay $36 more. Those earning $5,000 are now paying $376 and will pay an additional $46 due to the increase. The one who is earning $6,000 is paying $597; from now on, he will have to lay out $66 more. The one who earns $7,000 pays at the present time $842; he will now have to pay out $86 more, as of January 1st, 1969.

But the difference is not so great—as I said earlier—between those ones who earn $5,000 and those earning $10,000. As a matter of fact, those who earn $10,000 pay $1,644, but they will have to disburse only $120 more. It is not even twice as much as the ones who earn $5,000 a year! As far as those who earn $15,000 or $25,000 a year are concerned, they will pay the maximum, as I said earlier, of $120. Mr. Speaker, this tax which is called the "social development" tax by the minister is, to my mind, a "social injustice" tax. Once again, it will be the low-income individuals, the small wage earners who will pay the bill, because those who earn $8,000, $15,000 or $25,000 a year, do not care if they have to pay $120 more.

Mr. Speaker, the Liberal government has brought down eight budgets since 1963, and has increased the personal income tax four times. One budget reduced taxes, naturally on the eve of elections, and three brought no change.

Personal income tax, Mr. Speaker, is saturated at all levels. There are provincial taxes, school taxes, municipal taxes and federal taxes and the taxpayers cannot bear any further taxation.

Thus, when mention is made of a social development tax, I say that the minister has made a big mistake. I say once more that it would be called the social injustice tax.

Mr. Speaker, it is obvious that the new budget will create new tensions between the provinces and the federal government because the Prime Minister said in Halifax the other day that the provinces must not expect any share of the taxes collected by the federal government. God knows that right now they are faced with serious financial problems.

[Mr. Asselin.]

It is well and good to introduce legislation on the status of the official languages—I am in favour of that—but I think that the first reform needed is that recommended by the Economic Council of Canada, namely to amend the constitution in such a way as to set up new jurisdictions between the federal government and the provinces so that the latter can get the money that will enable them to meet their obligations in the social, industrial and economic fields.

If the Prime Minister really wants to improve the lot of the provinces, we advise him to propose at the next federal-provincial conference an amendment to the constitution, which will enable the federal and the provincial governments to come to an agreement, to discuss together the jurisdictions and fields of taxation so that the tension between the provinces and the federal government can be cleared up.

Mr. Speaker, if the federal government does not want in any way to give part of the incomes to provinces at the time of the next fiscal arrangements, where will the provinces get their money? Evidently, provinces cannot work miracles. Their only means of getting incomes is to do as the federal government does: levy taxes on taxpayers. And the taxpayers in Quebec or in Canada until the next fiscal year will be taxed even more because the federal government does not want to leave to provinces fields of taxation which belong to them and to which they are entitled.

Mr. Speaker, the needs of the provinces are extremely important and are increasing over the years.

In 1967, Quebec spent $591,614,300 for educational purposes out of a budget of $2,791,000,000.

An hon. Member: What is the contribution of the federal government?

Mr. Asselin: I will tell you later on.

For the construction of schools, the federal government pays certain costs. In 1967-68, the federal government paid $71 million to help the provinces in their construction plans for schools, while we know that the budget of provinces for school construction amounted to $125 million in 1967-68 and that the estimates

for 1968-69 will he about the same. But provinces are not any richer than last year. The federal government is cutting down its contribution to $57 million for the 1968-69 year, a reduction of $14 million, whereas the provinces—

An hon. Member: No—

Mr. Asselin: —my hon. friend says no. He should look at the figures over there. There is a difference of $14 million between 1967 and 1968. Let him iot it down. If he wants to refute my statement and if I am mistaken, I shall stand corrected, but the figures I have here have been audited by both the federal government and the province of Quebec.

• (9:20 p.m.)

Mr. Speaker, social security is a field in which, as has already been said, there is jurisdiction overlapping. We know that social security, under the constitution, comes under provincial jurisdiction and we are aware of the circumstances under which it has been given up to the federal government for a number of years. Now, the province of Quebec spent $464 million in 1967-68 for social security. In 1968-69, it will spend $407 million. The federal grants to Quebec for that item amounted to $10 million in 1967-68, but for 1968-69, no grant has been provided for.

I am glad that my hon. friend is coming closer in order to listen to me more attentively. He was too far away before.

Mr. Speaker, the same applies to all the Canadian provinces. The same difficulties and the same problems in the field of education are found in Ontario, Saskatchewan, Alberta and all the other provinces. They are facing serious financial problems, and the federal government refuses to concede a single point with regard to the fiscal arrangements made with the provinces.

Mr. Speaker, there is another subject which I should like to deal with tonight, and I am very glad to see that the Secretary of State (Mr. Pelletier) is here tonight. I should like to talk about the tendency on the part of the present government since it came to power to interfere increasingly in matters under the exclusive jurisdiction of the provinces.

The other day the Secretary of State made a statement in the house concerning E.T.V. He said that his department would soon set up a task force of experts to go around the country making inquiries on E.T.V. I am sure the minister would be one of the last to contradict me when I say that education falls exclusively within provincial jurisdiction. Naturally, the federal government has rights with regard to means of communication. The honourable minister told us in his statement that his department intended to give licences to private companies to operate E.T.V. and that, at the same time, the province could not be guaranteed the same privilege, that is of having a licence to avail themselves of the services of E.T.V.

Recently, the Quebec premier protested against this further intrusion of the federal government in provincial matters at the federal-provincial conference held in Ottawa last February. Quebec said very clearly to the former government, which has been slightly altered, that E.T.V. fell within provincial jurisdiction. The federal government has jurisdiction over the means of communication. But why quarrel and create tension between the provinces with regard to education when the minister tells us in his statement that licences will be granted private companies? Still, he did not guarantee that the provinces, should they make similar requests to operate an E.T.V. system, would be treated by the federal government as it will treat the private companies.

Hon. Gérard Pelletier (Secretary of State): Will the member allow me a question?

Mr. Asselin: Certainly.

Mr. Pelletier: I have already heard the member say three times that I said in this house that the federal government would grant E.T.V. permits to private companies. That assertion has just been made three times in a row and does not correspond in any way to the statement I made the other day; I wonder where the member got this information.

Mr. Asselin: Of course, Mr. Speaker, I have to take the word of the Secretary of State, but many statements have been made outside the house, in addition to those made in this house or in the committees. Would the minister like to contradict me about what his department is planning to do, namely grant licences to private companies to allow them to go into educational broadcasting when the

provinces are not even sure of getting licences?

Mr. Pelletier: That is precisely what I was asking the hon. member, Mr. Speaker.

There has never been any question of granting licences to private companies for educational television and the hon. member certainly did not get his information from any statement I ever made in the house or outside.

Mr. Asselin: I am very happy, Mr. Speaker, to have the confirmation of the minister on that point. But could the minister assure the house that if a province asks a licence for operating educational television, the federal government would agree to grant it? Can the minister answer?

Mr. Pelletier: Mr. Speaker, there is no question about my having to answer. Evidently, the member speaks of a statement made in this house and which he has not read because it is said in that statement that licences will be granted to a federal and public agency, and to it only. Therefore I wonder why he puts that question and has been referring for the last fifteen minutes to a statement about which he obviously knows very little since the answers to questions he puts are included in this statement, made more than a week ago.

Some hon. Members: Hear, hear.

Mr. Asselin: Mr. Speaker, I am pleased to note the minister's statement as this confirms what he said in the house, namely that he would grant TV licences to companies and agencies. He just said it in this house. Therefore, the minister should consider giving the same opportunity to the provinces if they want to get a licence to operate in the field of educational TV.

Mr. Speaker, this of course is not the last time we see the government opposite encroaching on provincial matters. It did so in the field of medicare, and the Quebec taxpayers will probably pay a penalty for not participating in the federal plan, as they have to pay taxes to finance medicare on the same basis as the people in other provinces who join to this plan. When we have—

[Mr. Asselin.]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but his time has expired. Does the house agree unanimously to allow the hon. member to proceed with his remarks?

Some hon. Members: Agreed.

Mr. Asselin: Mr. Speaker, I wish to thank the hon. members and I think that the minister is even more magnanimous than those back-benchers who said that I should speak for a few minutes only. However, I shall not take too much of the time of the house to conclude my remarks.

The Quebec taxpayers, because they do not contribute to the federal government medicare program any more than those of some other provinces at present will have to pay taxes to help its cost. I do not suggest that this program is a bad thing, but the federal government, before putting it into force, should first have consulted the provinces so as to establish a plan meeting the conditions laid down by the provinces.

[*English*]

Mr. Benson: We had consulted the provinces.

[*Translation*]

Mr. Asselin: The minister says: We had consulted the provinces. However, some provinces said that they refused to accept the federal program, because they could not meet the four conditions imposed on them by the federal government.

I say that the present government wanted to act unilaterally and that the taxpayers of Quebec and other provinces, who do not now participate in the federal medicare plan will be penalized by taxes they will have to pay to the federal government. In fact, the 2 per cent tax might help the federal government to meet the expenditures of the medicare plan.

• (9:30 p.m.)

We would have preferred, Mr. Speaker, that in his budget speech the minister deal with some positive solutions and tell us about his plans for overcoming our unemployment problems. This is a problem not to be neglected as it is known that in the Atlantic provinces the unemployment percentage is

4.3 of the labour force, 4.4 in Quebec, 2.5 in Ontario, 1.9 in the Prairie provinces and 4.5 in British Columbia.

The budget announced by the minister does not in any way indicate what solutions are contemplated by the government to solve this problem. This situation will, in my opinion, be more severe next winter because the present government has, without informing the provinces and municipalities beforehand, discontinued the winter works program which had been put into effect by our party when we were in power.

They would rather eliminate the program than providing work for those people in winter. Even if there have been some abuses in the past, some people earned money in winter time and could survive because they could work. But this winter the only course offered to them will be unemployment insurance, social assistance.

Mr. Speaker, I do not think this a good way for the minister to tackle this unemployment problem, by ignoring it. If this governement wanted to eliminate winter works, the only thing to do was merely to provide provinces and municipalities with an alternate solution. We ask the government to provide us one but it gave us no response.

Mr. Speaker, for all those reasons, we are fully justified in supporting the amendment moved by the hon. member for Edmonton West and I hope that among our Liberal friends, who during the election campaign showed compassion for the plight of the poor people, unemployed people in Quebec and in other provinces, there will be a few members to rise and support our amendment. The budget introduced by the Minister of Finance is completely unacceptable to the population as a whole, especially to the poor people; obviously, it is not in this way that the government and the minister will establish the main heads in order to set the great principles that will bring to Canada the just society the Right Hon. Prime Minister so often referred to during the election campaign.

Mr. Henri Latulippe (Compton): Mr. Speaker, I am happy to avail myself of this opportunity to say on behalf of the Rallieement créditiste what we think of the present administration, what we think of the past administrations, of the "smashed up" budgets. Since the end of the 1939-1945 war, we have known nothing else but "smashed up" budgets. We have had different Liberal and Conservative administrations and they were all administrations with a smashed up budget. They increased taxes, which in turn increased the cost of living and led the economy to an unsufferable unbalance, almost beyond remedy. So this economy's balance must be reestablished and I believe there is nobody among the members of this government who can offer solutions.

The Minister of Finance (Mr. Benson) has no other solution than to increase taxes and the price of services. The price of services is rising at all levels of society.

The governments bleed the people dry to speak bluntly, and they benefit much more from loans than the individuals. The governments can borrow money at a much lower rate than the individuals. And because the all-round cost of living is allowed to rise, individuals have to borrow money at unconscionable interest rates, that are exorbitant and even criminal for society, for the individuals and for the families.

The governmental budgets, at all levels, announce increases in taxes. It is a universal disease. We call that austerity because international finance and leaders of all governments say so.

Tax increases please no one, Mr. Speaker. On the contrary, everybody is complaining privately or publicly. Each and every one grumbles against taxes, but strange contradiction, there is an almost unanimous belief that taxes are inevitable.

Mr. Speaker, let all of those gentlemen who claim taxes are necessary rejoice, because the government has once more fulfilled their wishes. Surely, it is the government's fault, but is is also our fault; in short, it is the fault of every member, every taxpayer who fails to take his own responsibilities. Taxes are claimed to be necessary, there are some who are always ready to let the others carry their burden. Many fight taxes with all their might but make every effort to avoid paying them as they should.

When you are among the mighty it is not too bad. But it is not so simple when you are

a wage-earner and when the pay envelope is legally searched by a good dozen thieves, before being given to its legitimate owner. Nevertheless, it is the public who pays. Then why do the taxpayers not request a reform which would abolish a good many taxes?

What is preventing the taxpayers from going on strike against taxes; there are strikes everywhere, in all sectors, all over Canada, but no one thought of going on a tax strike. I think one day we will have a tax strike and that day will be an abomination for Canada and other countries like ours.

Why do we not consider an administrative formula ensuring that public developments are financed by a single fact of accountancy, consistent with the realities of the considerable wealth and progress of our country? After all, financing is only a question of figures.

Mr. Speaker, can all 262 members and ministers of the Parliament of Canada, since the elections of June 25, 1968, mention a single measure of the government in favour of the people? On the contrary everything has been done in favour of capital.

• (9:40 p.m.)

Bonds worth $260 million at 5 per cent have been replaced by bonds bearing 6.5 per cent interest. Interest rates have been raised on loans to students and farmers and other Canadians in executive positions. The price of stamps has been increased, and personal income tax is being raised by 2 per cent. It is obvious that the same system is being maintained without any change. Capital income is increased and personal income is reduced through all kinds of increases, in taxes, prices and in the cost of living generally. The ceiling on the interest rate on bank loans generally, as well as on personal loans to farmers and to students guaranteed by the government is being removed. There is a constant and progressive protection of the national social capital and continual and progressive denial of the family and human capital. The present administration is exactly the contrary to what a good and a sound administration should be. Capital, which is only an instrument of production and financing, enjoys all privileges, profits, reserves and surplus which the Canadian people are deprived of, when in fact capital is created and legalized by the government of the people. That is complete nonsense.

[Mr. Latulippe.]

All this has been explained at length and in precise detail in the brief which I presented to the committee on finance, trade and economic affairs on October 25, 1966. This brief has never been read nor studied by the committee, but it was printed as appendix AAA, on pages 2548-53 of volume II of the deliberations of the committee on finance, trade and economic affairs on the occasion of the decennial revision of banking legislation.

I shall quote two paragraphs from the brief which will make your mouth water and will encourage you to read in full these basic papers on our past, present and future economic policy:

> Every time the workers' salaries, are raised, every time interests on capital, are increased, the cost of living goes up generally and the economic position of people without income, work or capital is jeopardized and by the same token, the economic position of those responsible for them.
>
> When the Bank of Canada was established in 1934, it set its rate of interest at 2 per cent for treasury bills and its loans to chartered banks. This rate remained unchanged for 22 years, from 1934 to 1956-57, in spite of the depression, the war and the post-war boom.

Mr. Speaker, one would wish to read all over again this basic report, which sets forth the main financial procedures in our economy which have brought about the present situation, so wonderful for the presidents, directors, administrators and shareholders of big banks and companies, but which also maintain our governments in permanent deficit and eternal debt, resulting in exhorbitant interest rates and causing many of our people hardship, insecurity or poverty, without the least hope of coming out of it except through a war or a revolution.

Mr. Speaker, the Bank of Canada, the eight Canadian chartered banks, the 800 largest companies, listed or not on the stock exchange, which show an annual net profit of $1 million, in addition to two or three times that amount in hidden, unpublished and untaxed reserves, come under the economic and legislative management of the Minister of Finance and of the government of Canada.

The directors of those companies are Canadian citizens the same as every other citizen in this country. If all Canadian citizens were aware of those facts, if all newspapermen,

teachers and politicians would pass on those facts openly to every Canadian citizen, if none of them were camouflaged, thinned out, disguised by an intellectual elite benefitting largely from such an unhealthy economy, do you think the people would bear any longer those deficit budgets and those unprecedented taxations?

Here are the four most important ministers in the government of Canada in 1968, that is the ones mainly responsible for our economy and our administration.

The Prime Minister (Mr. Trudeau) does not hold any particular portfolio but he must have an overall grasp of all departments and must generally direct the administration of the country to the benefit of the national social capital or towards the social development of the human capital of the family.

The Minister of Justice (Mr. Turner) must see to it that justice and legal understanding prevail between all the citizens of Canada, bar none. But the first step, Mr. Speaker, is social distributive justice, that of the primo vivere, that is the right to live, the right to live one's life.

The Minister of Industry, Trade and Commerce (Mr. Pepin) has contacts with all the citizens of Canada, without forgetting any, because all the citizens are linked together by the exchange of all the products of industry, agriculture, mining or the other necessities of life for each and every citizen of Canada.

The Minister of Finance is perhaps the one who has more to do with all the needs of the citizens of Canada because no one can move without needing money, currency, credit or capital. Everything works with money and the Minister of Finance holds the highest authority with regard to the whole machinery of money, the issuance of money, the chartered banks, the Bank of Canada and the setting of the interest rates.

The principal tool of the Minister of Finance, with regard to the administration of Canada, is his famous annual budget, a tool which he tries to use to regulate the circulation of money according to the needs of all the citizens of Canada.

The Minister of Finance operates a kind of suction and force pump through which he takes money from those who have too much and gives it to those who have not enough. He is the main regulator of monetary circulation among all Canadians. That is why everyone turns towards him, even all the other ministers and members of parliament, because he is the one who pays their salaries, out of taxes collected from Canadian citizens, out of income taxes or taxes on profits.

We should not worry about the complex task of the Canadian Minister of Finance. Indeed it is not more difficult for him to balance his yearly budget than for any single person, father, farmer or small businessman. He has at his disposal all the information and all the qualified personnel to balance his budget.

As everyone, he must apply the regular formula of any sound administration: income, expenses and profits. As everywhere else, there should be enough income to make up the expenses and leave a margin of security, surplus or reserve. What is good for the corporations is equally good for the government and for the individual, whether he be a bachelor or the head of a family in Canada.

• (9:50 p.m.)

It's always the same administrative formula: revenues, expenditures and profits. You have to concentrate on this formula once you start talking about administration, budget, political economy, at all levels whether personal, family, social, municipal, provincial, federal, national, international or even at world level.

We should stop making so much ado about nothing. Such mysteries are only there to frighten the little man. When the people are at all informed, they see through them and public finance does not frighten him anymore. Even if he cannot grasp all the details, he can read between the lines.

So the day has come to be honest with the people of Canada about the annual budget of the government, to steady the flow of money with both the suction and the forcing pumps, so that every Canadian citizen, individually, be considered as a complete and essential unit, with his own buying power either through his work, or his capital, or through his right to live and if he does not have any revenue from his work or from his capital, for any possible reason.

Our ministers must therefore know what the people think about that.

Since the end of the war, in 1945, the whole economy of the country has been oriented toward the national social capital benefits in institutions to the great detriment of the family human capital in residences.

Our banks and companies are prosperous but families are declining.

Capital and labour are the two mainstays of production and the 7,700,000 Canadian citizens that take part in this production receive wages for their work and interests on their capital.

But the 13 million citizens who have no work nor capital, receive no revenue, have no purchasing power to meet their personal needs and the needs of their families. Yet, all have the right to live in Canada.

This right to live must become a component in the distribution of the purchasing power, of a personal guaranteed income, through a vital personal right for each and every Canadian citizen without work or income.

A plain and easy formula to be applied universally, on a pay-as-you-go basis, depending upon the national production, would allow every Canadian without work or income to receive a personal vital right of $1 per day for a child, $2 for a student, $3 for an adult and $120 for each retired citizen of 60 years of age or more.

The total cost would be only $9 billions out of a production of $60 billions in 1968, for the 13 millions of Canadian citizens of all ages, without work or revenue, without any other personal revenue than the vital right.

This would only cost 14 per cent of the 68 billion national produt and there would still remain 86 per cent or 59 billion dollars to pay for the work and capital of the 7,700,000 citizens contributing to the national product, in preportion to their participation.

This one program, this one technical formula can be applied immediately, all at once or through successive steps, according to the competence and ability of the ministers of the present parliament and of the 262 representatives elected by the people to legislate on behalf of all Canadians.

Only outmoded and mechanistic reflexes or intellectual sloth are preventing us now from establishing within the framework of our economical machinery such a distribution formula of the purchising power, of a guaranteed personal income that adds automatically to the salary formula as regards work and to the interest formula as regards capital.

I am sure the three senior ministers can understand this view and can even provide for its immediate implementation, in spite of the last annual budget introduced by the hon. Minister of Finance.

[Mr Latulippe.]

Just let us wake up to this new light, this new possibility that suddenly he comes within our reach.

Can we deliberately, close our eyes? What can stop us from taking such action? Let us take a look at ourselves and we shall understand.

It has to be done some day, so the sooner the better. The more we postpone action, Mr. Speaker, the more difficult it will be, for the gap will go on widening every year between the rich who get richer and the poor who become poorer. Therefore why not correct right away what needs to be corrected.

This technical formula, Mr. Speaker, can be applied without any increase in taxes, in the cost of living or in prices, if only the large banks and the millionaire corporations agree to pay all the expenses of the guaranteed personal income out of their tremendous annual reserves of over $24 billion after taxes.

Most of the presidents and directors of large banking or commercial enterprises or institutions in Canada are willing to accept this guaranteed personal income formula, provided decisions are made by the government of Canada and everybody is considered on an equal basis, that is individuals, all corporations and even those which are exempt from taxation of all kinds for all sorts of considerations. This I am pointing out to the right hon. Prime Minister, the hon. Minister of Finance and hon. Minister of Justice.

I would like at this time, Mr. Speaker, to differentiate between true credit and financial credit.

True credit is the power to produce whatever the people need. It is the power to produce food, clothing and living accommodation and the capacity to build houses for families with children, barns for cattle and manufactures.

True credit means the capacity to build highways, roads, transportation equipment, automobiles and airplanes. It also implies the power to obtain the services of teachers for the education of children and to produce goods, which those teachers cannot produce them themselves and which they need.

Those are indeed realities which exist without any doubt, realities which are the reason we prefer Canada to a desert or an island and are instrumental in bringing about a decent way of living in our country.

This might be defined as true credit, Mr. Speaker, for the word "credit" means confidence. This potential production, this confidence factor and this true credit already existed when the first settlers from France

or England landed here. They hoped to get enough to live. They would not have come otherwise and this true credit has constantly increased since then.

The problem is not at all due to actual possibilities but it is an artificial problem created by the lack of money and figures which can make products and services fluctuate.

There are two kinds of credit, Mr. Speaker, the true credit and the financial credit.

The financial credit is established by banks and is based upon the real credit. On the other hand, the real credit is the work and the devotion of past generations, science, technique or technology as well as philosophy.

Money credit is a title which gives a right to those products and services. It is only a figure engraved on metal or printed on paper, and it is controlled by the Bank of Canada for an issue of almost $3 billion. But financial credit, Mr. Speaker, amounts to figures—

Mr. Speaker, may I call it ten o'clock?

• (10:00 p.m.)

[*English*]

BUSINESS OF THE HOUSE

Mr. Stanfield: Mr. Speaker, may I just ask for confirmation of the business for tomorrow. Is it the railway bill?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, No. 24 on today's order paper, the bill dealing with the financing of the Canadian National Railways. If any time is left over after that matter has been dealt with the house will resolve itself into committee of supply and consider the estimates with respect to legislation and the Treasury Board.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

IMMIGRATION—INQUIRY AS TO ASSISTANCE TO REFUGEES FROM CZECHOSLOVAKIA

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, this house and the country have heard a great deal in recent weeks about the Biafran tragedy—and it is a tragedy. To listen to some of the remarks of the opposition members one would conclude that the Canadian government is totally insensitive to suffering, while the opposition is a veritable oasis of charity and humanitarianism. Hon. members on the opposition benches know in their hearts that this is not true. It is not given to any group, be it a political party, a government party or an opposition party, to be the repository of goodness and generosity to the exclusion of all other groups. There have been criticisms of Canada's record in Nigeria. But what is that record, Mr. Speaker? Stated simply, the record is the best in the world.

We were one of the first nations to answer the call for help last August. We are the only nation which has been successful in negotiating with both sides to expedite aid to the starving of Nigeria and Biafra. We are the only nation today with government aircraft bringing aid to the victims of that horrible war. That is the record.

We are one of a handful of nations to contribute to the team of observers. These have been solid and productive accomplishments. In the process the government has not yielded to the temptation to seek headlines. Indeed our record in assisting in the resolution of international disputes and extending aid rests in our ability to conciliate and negotiate, even though that is done in an unspectacular way.

Mr. Forrestall: Who wrote that speech?

Mr. Perrault: During these past weeks, when we have seen some hon. members trafficking politically in the human misery of the Nigerian conflict, it is noteworthy that hon. members of the opposition have virtually ignored Canada's record in another area, a record which adds new laurels to Canada's reputation as a nation that cares about humanity.

We have achieved a superb record in the Czechoslovakian refugee crisis. The manner in which Canada has met her obligations in the Czech crisis shows that where there is an opportunity, where international red tape and diplomatic realities do not intervene, the government of Canada more than matches in action the generosity and compassion which the opposition delineates in words. The government, and particularly the Minister of Manpower and Immigration, deserve the commendation of parliament and the people of Canada for the nature and extent of the efforts to find a new life in Canada for those refugees who fled from Czechoslovakia in the face of Soviet aggression.

As far as our nation is concerned, red tape has been virtually eliminated, financial barriers removed and screening processes speeded in an effort to bring as many refugees to Canada as quickly as possible. Tomorrow, the twentieth chartered plane load of Czech refugees arrives in Canada. All these flights have carried from 130 to 190 passengers. They are men, women and families who, in my view, will become exceptional Canadian citizens and make contributions to this country far beyond their new numerical strength.

Some hon. Members: Hear, hear.

Mr. Perrault: Since the first flight in mid September I have ascertained that approximately 3,449 refugees have come to Canada, the majority coming under the auspices of the government's program which provides grants or loans to cover transportation, settling in and adjustment costs. Practically all those intending to enter into the Canadian labour force have been interviewed by manpower counsellors in offices across Canada. Altogether 1,102 persons have been placed in employment; and 800 are taking language courses and other training in English or French so that they may become better equipped to practise their professions and trades across this country.

As of yesterday there had been 11,241 inquiries from Czechoslovakian refugees interested in coming to Canada. Our information offices in Europe have received firm applications for admission from approximately 10,000 people, dealing with 150 people a day in Vienna alone.

The government has acted with compassion and generosity. If it were given the same opportunity and if it were unhampered by external barriers not of its own making, I am sure it would do as much and even more for the victims of the Nigerian conflict.

Mr. Forrestall: Let's hope so.

Mr. Perreault: Despite their agitated and impassioned observations of recent weeks, our friends in opposition are well aware of the limits, often severe limits, which exist and which prevent this nation from accomplishing all that we may wish to do in the area of resolving conflicts and relieving the suffering of the world.

We know, for example, how the fact of national sovereignty, a right we cherish ourselves, may frustrate our efforts to intervene constructively in the affairs, and indeed in the agonies of our world neighbours. Canada's contributions to the world are not a subject of humiliation and embarrassment to any Canadian. Certainly they are not a subject of embarrassment with respect to Nigeria. Rather they are a matter of pride, as exemplified by our conduct in the Hungarian revolution as well as in the Czech crisis. I submit that in all these matters Canada's actions have been outstanding.

Mr. Knowles (Winnipeg North Centre): What is the question?

[*Translation*]

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, if my hon. colleagues would only agree to grant me the three minutes that—

The Acting Speaker: Order.

• (10:10 p.m.)

[*English*]

Mr. MacInnis (Cape Breton-East Richmond): I rise on a question of privilege. The hon. member sitting at the end—I apologize for not being able to name his constituency—inferred that hon. members should listen, and sit down and learn something. I would draw attention to the fact that this period is set aside for members who are dissatisfied with the answers they receive from ministers. The hon. member who has just resumed his seat has at no time mentioned any question asked in the house nor has he referred to the minister with whom he is dissatisfied.

Mr. Deputy Speaker: I think the procedure should be the following: I shall call on the Parliamentary Secretary to the Minister of Manpower and Immigration.

Mr. MacInnis (Cape Breton-East Richmond): What is the question? Which minister is he dissatisfied with?

[*Translation*]

Mr. Loiselle: Thank you, Mr. Speaker.

Allow me to congratulate the hon. member for Burnaby-Seymour (Mr. Perrault), whose constituency I know very well, for having raised the question.

The hon. member for Cape Breton-East Richmond (Mr. MacInnis) said that the ten o'clock show must be reserved for the members opposite who have some questions to raise or grievances to discuss. Why from time to time should we not congratulate the government for nobody can make me believe that the government is always wrong.

I congratulate the hon. member once again on the minister's behalf as well as on my own for having raised that matter of which all Canadians are quite proud.

I myself saw the arrival of some Czech refugees and I could see how happy they were to enter this country.

Canada can be proud of what she has done, for no other country in the world has accomplished as much as Canada for Biafran or Czech refugees.

During the Prague uprising on last August 23, the Canadian government, as early as September 4, ordered its European offices to process quickly all applications made by Czechoslovakian refugees. At the same time, we relaxed somewhat the ordinary conditions to allow them to enter Canada.

We must also remember that when the advisory commission which spent a few days in Vienna to see whether officials were taking proper and quick action came back to Canada, it could only praise all the Canadian officials in our offices abroad who hurry the answers to the applications which they receive from Czechoslovakians who want to come to Canada.

In order to add to what the hon. member said a few moments ago, regarding the attitude of the government towards refugees, I must mention that, from the 1st to the 23rd of November, ten groups of refugees will arrive in the country. This proves, Mr. Speaker, that the Canadian government has done what no other government in the world has done.

As far as the Biafrans are concerned, we are trying to do our utmost for them, but we must admit that the present conditions in Nigeria do not allow us to act as promptly and as easily. However, the Canadian government has publicly declared that any Biafran citizen, presently visiting the country, who asks for permission to stay, will have his request granted.

[*English*]

Mr. Deputy Speaker: Order. Pursuant to provisional standing order 39A the motion to adjourn the house is now deemed to have been adopted. Accordingly this house stands adjourned until eleven o'clock tomorrow morning.

Motion agreed to and the house adjourned at 10.13 p.m.

APPENDIX

EXCHANGE OF LETTERS BETWEEN CANADIAN AND NIGERIAN AMBASSADORS TO UNITED NATIONS

THE PERMANENT MISSION OF
CANADA TO THE UNITED NATIONS
866 United Nations Plaza,
New York, 10017.

October 24, 1968

Dear Ambassador,

My Minister, the Honourable Mitchell Sharp, has asked me to enquire urgently about the role of churches in respect of relief supplies. One of the leading critics of the Government, Mr. Brewin, whom you will recall came to New York, and met with Dr. Arikpo, claims that he was told that the Federal Government would not oppose flights into rebel-held areas from Sao Tome by churches, using Canadian Hercules aircraft. This statement does not appear to have been made to Mr. Sharp himself but may have been made during the visit of certain Canadian Parliamentarians when they met the Commissioner for External Affairs.

Mr. Sharp would be very grateful if you could let him know, as a matter of urgency, whether in fact such a statement has been made or whether the Federal Nigerian Government would be likely to permit such an arrangement.

Yours sincerely,

George Ignatieff
Ambassador and
Permanent Representative.

His Excellency
Mr. E. O. Ogbu,
Ambassador and Permanent
Representative,
Permanent Mission of Nigeria to the
United Nations,
757 Third Ave., 20th Floor,
New York, N.Y., 10017.

COPY

PERMANENT MISSION OF NIGERIA
TO THE UNITED NATIONS

757 Third Avenue
New York, N.Y. 10017
Telephone: HAnover 1-2610

24th October, 1968

UN/S/130/161/

His Excellency Mr. George Ignatieff,
Ambassador and Permanent Representative
of Canada to the United Nations,
866 United Nations Plaza,
New York 10017,
New York.

Dear Ambassador,

In reply to your letter of today's date, I am directed by Dr. Arikpo, Nigerian Commissioner for External Affairs, to inform you that neither he nor any other member of the Nigerian Delegation told the Canadian members of Parliament who met with Dr. Arikpo that the Federal Government would not oppose flights to rebel held areas from Sao Tome by churches, using Canadian Hercules aircraft. I am to inform you that the churches are operating at their own risk. For example, Caritas has been operating independently and the World Council of Churches operates under the auspices of the International Committee of the Red Cross only when it suits them. The Federal Military Government has expressed its preference that all voluntary agencies operate under the aegis of the International Committee of the Red Cross. This preference remains unchanged.

Yours sincerely,
(E. O. Ogbu)
Permanent Representative

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END OF VOLUME II